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ABSTRACT

State policies regarding funding programs to serve at-risk students and dropouts through school-to-work activities in alternative learning environments were examined in a national survey. Data were collected through the following: surveys sent to finance directors in state departments of education and education committee chairs in both legislative chambers; telephone surveys; and independent research of policy documents and state statutes. Responses were received from all 50 states and the District of Columbia. Although no comprehensive statewide school-to-work systems serving substantial numbers of students were found, some states were requiring schools and departments of education to identify at-risk and dropout students. State-level policies regarding funding to follow at-risk and dropout students into school-to-work programs proved unclear. Some states were allowing state per-pupil funding for high school students to be used for learning opportunities outside regular classrooms. Among the types of options and alternative learning environments available for at-risk and dropout students were the following: school enrollment options; transfer agreements; vocational education schools, charter schools; alternative schools; learning centers; postsecondary enrollment options; and special education for institutionalized or homeless students. Financial incentives and performance standards were also examined. (Eight case studies, a list of contact persons, and 211 footnotes are included.) (MN)

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State Education Funding Policies and School-to-Work Transitions for Dropouts and At-Risk Students

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CE 075 111

State Education Funding Policies and School-to-Work Transitions for Dropouts and At-Risk Students

A Report Prepared for
the National School-to-Work Opportunities Office

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Preface and Acknowledgments

The National Conference of State Legislatures (NCSL) is a nonprofit, bipartisan organization that serves the legislators and staffs of the nation's 50 states, its commonwealths and territories by providing research, technical assistance and the opportunity for policymakers to exchange ideas on state issues. NCSL received funding from the National School-to-Work Opportunities Office of the departments of Education and Labor to conduct a survey of state funding policies that support school-to-work activities for dropouts and at-risk students. This report is a result of those findings. In completing this project, NCSL contracted with Capitol Perspectives, a Washington, D.C., consulting firm, to provide case studies and support.

The goals of this NCSL project were: to examine state funding policies serving at-risk and dropout students in alternative learning environments, with emphasis on school-to-work opportunities outside the traditional school setting, and to inform state policymakers about the variety of state funding options currently being used.

The NCSL survey requested information on the availability of state funding for alternative learning experiences for at-risk and dropout students. The surveys were sent to finance directors in state departments of education, and education committee chairs in both legislative chambers. Survey responses were received from all 50 states. The information in this report is based on those responses, phone interviews, and independent research. Citations to state statutes are included where they are relevant.

To illustrate the implications and practical applications of this survey, case studies of programs and services for at-risk and out-of-school youth have been included at the end of this report. Although anecdotal, the case studies give some insight into the practical applications of these funding alternatives.

State education funding mechanisms vary from state to state. Not all states use average daily attendance to compute the states' financial contribution; some use a combination of base and weighted funding. However, this project was not concerned with how the funding was determined. Instead the focus was on how that state funding was spent, specifically, whether state per-pupil funding was allowed to "follow" the student to other learning options outside the school district's traditional setting. NCSL neither endorses nor rejects the alternative funding arrangements described in this report but simply offers the information for further investigation.

Special thanks are due to David Shreve, the NCSL Employment and Training Program Director, whose efforts created, expanded, focused and sustained this project.

Mary Elise DeGonia, president of Capitol Perspectives in Washington, D.C., served as a consultant for this project. Her concern for at-risk and dropout students and her knowledge of alternative educational opportunities across the country were very valuable. She contributed the information and research for the case studies.

Also, the contributions to this project from Karen Johnson, Scott Liddell, Connie Koprowicz and Terry Whitney of the NCSL staff were greatly appreciated.

Executive Summary

As states devise ways to help students make the transition from school to work, two questions keep coming up: If the goal is to provide a work experience for all students, how are at-risk and dropout students included? How will these school-to-work principles be funded after federal money is gone? To answer these questions, the National Conference of State Legislatures received funding from the National School-to-Work Opportunities Office of the departments of Education and Labor to conduct a 50-state survey of state funding policies that support the inclusion of dropouts and at-risk students in school-to-work principles. The focus of the survey was on whether state per-pupil funding was allowed to "follow" the student to other learning options outside the traditional school setting.

As states implement school-to-work systems that combine school-based learning and work experience in a structured learning environment, state legislatures must decide how to fund these innovations differently from the traditional short-term pilot program grants. Currently no state has a comprehensive statewide school-to-work system serving a substantial number of students.

At-risk and dropout students also are getting attention in the statehouses. Some states are requiring schools and departments of education to identify at-risk and dropout students and report that information to the state legislatures or the state departments of education.

In addition, like all bureaucracies, state departments of education are divided into specific program and issue areas. The survey responses highlighted how difficult it can be to identify the appropriate people in each state who are knowledgeable about such broad and complicated ideas explored in this survey. Many states seemed unaware of current programs allowing funding to follow students into alternative learning choices. Although some respondents reported that state funding did *not* follow the student into alternative programs or schools, they went on to describe specific state programs where the funding did in fact follow the student. For example, one state reported money did *not* follow the student, then added, "Funds are provided to the district of residence. If the district of residence does not provide the education program directly, it must contract with another entity to provide the education and the school district of residence then pays the educating entity for providing the service." Additional NCSL research also found examples where none were reported to exist.

Although no laws were found that *require* funding to follow at-risk and dropout students into school-to-work programs specifically, no laws were found that *prohibit* it. Many survey respondents did not know which school districts might be incorporating this idea at the local level. If policies are this unclear at the state level, it may mean that school districts also are unsure that those funding options would be available to them. It is also likely that school districts might be reluctant to transfer funding out of the district. On the other hand, this idea offers a way to recapture the per-pupil funding for dropouts and keep kids in school or at least in an alternative educational experience.

This report describes many ways in which funding currently is following students; examines current dropout and at-risk programs and funding; reviews how current laws can be used or expanded to include school-to-work situations; discusses financial incentives being offered by states to serve these students; and looks at school performance standards.

The NCSL survey found that some states are allowing state per-pupil funding for high school students to be used for learning opportunities outside the regular classroom. Examples of these alternatives are outlined in the following sections. Not all of these examples target at-risk

students and dropouts, but they illustrate state funding policies that can be expanded or created to include those types of kids.

School enrollment options. Some states believe allowing a student to attend a school other than his or her resident, or neighborhood, school can provide learning opportunities more suited to his or her educational needs. The idea that students can choose public schools other than their resident schools, commonly known as public school choice or open enrollment, was mentioned by some states as a way funding can follow students.

For funding purposes some states count open enrollment transfer students in their resident school districts, so the per-pupil allocation for those students must be sent to the receiving school districts. Other states count transfer students in the receiving school district for state funding purposes.

Transfer agreements. States without open enrollment laws allow students, under certain circumstances, to attend other schools. The resident school district usually pays the tuition, but in some states the student is counted in the receiving district for funding purposes.

Both open enrollment and transfer agreements could allow at-risk students and dropouts to seek out special school-to-work situations.

Most states recognize that the unrealized learning potential of dropout students affects the future financial stability of families, the productivity of workers and the strength of the economy; therefore, they allow or require schools to create alternative learning environments where at-risk students can be successful. A variety of special schools and programs are allowed in some states that offer at-risk and dropout students ways to participate in alternative learning options.

Vocational education schools. State statutes often create separate vocational education schools that provide hands-on training for skilled jobs and trades. These schools can be geared not only to students who do not choose to attend college, but also to those students who do not thrive in the traditional school setting. Vocational education schools also can offer options to dropouts. Generally, the student's resident school district pays tuition to out-of-district vocational schools and regional centers.

Charter schools. To develop schools with nontraditional learning experiences, states have developed a process that allows educators to create charter schools. These schools receive waivers from state regulations and, therefore, are often more innovative. Charter schools can receive the per-pupil funding either directly from the state or from the student's resident school district. Charter schools often emphasize some particular learning style or subject specialty. For example, charter schools can be tailored to meet the needs of students not performing well in traditional schools by focusing on learning through work experience.

Alternative schools. To serve students who are unsuccessful in school, alternative schools can offer a greater focus on school-to-work. These schools offer innovative learning structures. For students in alternative schools within their school districts, no funding issues arise; however, if students attend alternative schools outside their districts, generally the home school districts must pay the tuition.

Learning centers. A few states have created learning centers where students can get help in completing high school. Although some centers are supported by grants, a few states are allowing the students' per-pupil state money to follow them to the learning centers.

Many states provide students with the opportunity to participate in special programs and activities while still enrolled in high school. These learning options often benefit at-risk and dropout students because they can provide an alternative to traditional education and can include

work or skills-training. Participation in special programs outside of school usually are paid for by money following the student either from the resident school district or directly from the state.

Postsecondary enrollment options. Many states have postsecondary enrollment options that allow students to attend colleges and universities and receive either high school or college credit and sometimes both. These programs offer advanced technical training, as well as traditional college courses, and can be appealing to some students unhappy in high school. Most states require the school districts to pay the students' tuition although in some states the department of education pays the postsecondary institutions directly, and a few states require the students to pay any tuition fees.

Public and private cooperation. The survey discovered that in several states schools share or contract for resources, programs, services, teachers or facilities to improve the quality and variety of programs and to save money. This type of cooperation can be developed with other public schools or agencies or with private groups, and it offers a way state money could be used for at-risk students and dropouts in school-to-work situations.

Special education, institutionalized or homeless students. Some responses to the survey made the comparison between at-risk and dropout students and current programs that serve special education, institutionalized or homeless students. Several states have laws that allow schools to enter into agreements with other school districts, other states or private organizations to provide special education services and use state money to pay for it.

Financial incentives. Many states provide funding, usually in the form of grants, to pay for at-risk and dropout programs. This report does not examine the many state efforts to address these problems through grants for specific programs. Instead, this report focuses on the states that provide additional per-pupil money to school districts for certain types of at-risk and dropout students. The additional per-pupil funding is given to school districts to help with the cost of educating particular segments of the student population including students who are parents, bilingual, low income, homeless, eligible to receive free and reduced lunches, eligible for AFDC, participating in vocational education or living in public housing. It is often at the discretion of the schools how best to use this additional per-pupil money.

Performance standards. School districts in some states are encouraged to address the at-risk and dropout problem because schools are held accountable for performance, often measured by retention rates, dropout rates, test scores and school attendance rates. Some states even offer financial awards for improved school performance.

As previously mentioned, the NCSL survey results discovered existing programs and opportunities that could allow state per-pupil funding to follow students into alternative learning environments. Permitting per-pupil funding to follow students into appropriate learning experiences could help provide a work experience for all students and offer a way for states to fund school-to-work systems after federal funding is no longer available.

Introduction

The financing of public education is a critical area of public policy that directly affects children, families, communities and the economy. Unfortunately, school finance statutes are buried beneath many layers of amendments, case law and interpretations, obscuring them to all but the most dedicated researcher, lawyer and policy archeologist. This study is not intended to explain the intricacies of school finance but instead to investigate a narrow funding area relating to the disadvantaged, dropouts and students involved in school-to-work principles. It describes enrollment options, alternative learning environments and financial incentives for educating these students and cites the laws that allow these alternatives. Case studies illustrate the programs and services. A brief discussion of school finance will put these funding options in perspective.

How Public Education is Financed

The U.S. Constitution is mute on the issue of education. But the constitution of each of the 50 states contains an article, clause or section that requires the state to establish, maintain and finance a system of common education. The language of each state constitution is different, but each uses adjectives such as "adequate," "uniform" or "thorough" to describe that system.

Initially, states funded public education with a flat grant based on the number of teachers or schools in each school district. Around the turn of the century, concerns arose that this method did not account for the needs of the individual districts nor for the disparity in property tax revenues, which were the local source of supplemental education funds.

In the second and third decades of this century, states began to use a *foundation* approach to school finance. The state determined the amount of money needed on a *per-pupil* basis, estimated the district's per-pupil property tax wealth and established the minimum amount that would come from local taxes. The state then made up the difference between what was needed and what was available locally. School districts could raise revenue above the minimum tax effort, and those whose tax base could support it, did so. Although many have refined the foundation approach with adjustments for geographic cost differentials, impact aid for high incidence of poverty and other factors, foundation funding is the basis for most current formulas used in 40 states.

In addition to moving toward funding on a per-pupil basis, the result of the widespread adoption of the foundation system was a dramatic increase in the proportion of education money coming from the state. In the years 1919 through 1920, the states provided 16.5 percent of revenues. Today the states provide about 46 percent of revenues for the schools, with 47 percent coming from the localities and the remainder from federal grants. K-12 education is the single largest item in most state budgets, accounting for between 25 percent and 35 percent of state expenditures and amounting to more than $120 billion in annual state appropriations. The 15,000 school districts account for another $123 billion in expenditures and the federal government adds about $20 billion.

Two areas of education policy related to both school finance, and to this report, have grabbed the headlines in the last decade. The first is court challenges to school finance laws. These cases, brought by property-poor school districts, challenge the constitutionality of state school finance systems on the grounds that the disparity in per-pupil funding across school districts is inequitable. In 1994 alone, 13 cases were decided. Seven state systems were declared constitutional, and six declared unconstitutional. An evaluation of these court decisions is beyond the scope of this report, but one result of the decisions needs to be mentioned. When successful, these cases usually require the state legislature to substantially revamp the education funding formulas and to define the education program in terms of *adequacy* as well as *equity*. To achieve an adequate system, accountability mechanisms must be established that measure the success of each student. With this thought in mind, the goal of state policymakers begins to shift from funding an educational *system* to maximizing the educational experience of each student.

The second issue, school enrollment options, is central to the findings of this report. Open enrollment, vouchers and transfer agreements are all examples of laws enacted by policymakers that allow parents and administrators to search for the environment most conducive to students' educational advancement. Like the court challenges to state school finance laws, these policy options originate at the local and state level, sometimes end up in court and indicate another step away from funding institutions and toward funding the education of individuals.

The issue of how states allow schools to spend per-pupil expenditures is critical because it is often a very large portion of a state's budget and often a major portion of a school district's funding.

Percentage of State Contribution

Education funding is usually the single largest item in a state budget. An increase in state funding to schools has occurred as a response to legislative and judicial inquiries into educational inequities between schools. It is important to both states and schools to make sure that money is spent efficiently and effectively. Flexibility in how to spend state money at the local school district level is considered by many states to be the key to effectively serving students' individual educational needs. The idea of state funding following the student into appropriate educational programs is increasingly being discussed as a way to further this end.

There are a few states where the state per-pupil funding contribution is very small. In **New Hampshire**, unlike most states, local funding accounts for almost 90 percent of per-pupil expenditures.[1] For states like **New Hampshire**, it is less important whether state funding can

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[1] Steven D. Gold, David M. Smith and Stephen B. Lawton, eds., *Public School Finance Programs of the United States and Canada 1993-1994*, American Finance Association and Center for the Study of States, (N.Y.: The Nelson A. Rockefeller Institute of Government, State University of N.Y., 1995), p. 10.

follow the student because the state pays such a small portion of education expenses.[2] In most states, on the other hand, schools receive a large percentage of funding from the state. For example, **Hawaii** schools receive over 90 percent of funding from the state.[3] For these states, whether state funding can follow the student into alternative programs significantly affects school budgets and program flexibility.

No State Prohibition

Many of the states NCSL surveyed reported there was no state law *prohibiting* the schools from allowing state funding to follow the student, although the practice may not have been widespread. Responses from many states said it was the decision of the school district to determine how state money was spent.[4] The states, however, were often unaware of which schools may be allowing funding to follow the student.

A few states have enacted school finance laws that specifically encourage local spending flexibility. In 1992 **Tennessee** adopted a new funding formula, called the Basic Education Program, which provides schools with unprecedented flexibility in the use of state funds. **Tennessee** reported that it allows state funding to follow the student to pay for programs such as alternative schools, technical training, co-op programs, school-to-work opportunities and nontraditional schooling provided by the Departments of Youth Development and Human Services.[5]

According to the **Virginia** Division of Legislative Services, "Declining test scores, rising levels of functional illiteracy, and the need to prepare skilled workers for a global economy have combined to place education funding as a primary concern among state legislatures."[6]

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[2] Ibid. States where local funding is more than 60 percent: Illinois, Massachusetts, Michigan, Nevada, New Hampshire, South Dakota, Vermont, and Virginia.

[3] Ibid. States where state funding is more than 60 percent: Alabama, Alaska, Arkansas, California, Delaware, Idaho, Hawaii, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Washington, and West Virginia.

[4] Alaska Department of Education response to NCSL survey; Kansas Board of Education response to NCSL survey; Kentucky Department of Education response to NCSL survey; Louisiana House of Representatives response to NCSL survey; Michigan Department of Education response to NCSL survey; Montana Legislative Council response to NCSL survey; Nevada Department of Education response to NCSL survey; Rhode Island Department of Education response to NCSL survey; Vermont Department of Education response to NCSL survey; Virginia Department of Education response to NCSL survey; West Virginia Department of Education response to NCSL survey; see also, W. Va. Code §18-9A; and Wyoming House of Representatives response to NCSL survey.

[5] Tennessee Department of Education response to NCSL survey.

[6] Virginia Division of Legislative Services, *A Legislator's Guide to Public Education in Virginia*, (Richmond, Va.: Virginia Legislature, 1993), p. 1.

New Mexico's Public School Finance Act of 1974 sought to encourage local school district initiatives by eliminating categorical funding. By allowing the school districts to budget the money according to local need, **New Mexico** felt it created a more efficient and effective means of achieving desirable educational goals. The **New Mexico** formula uses cost differentials to reflect the expense of providing educational services to students with diverse needs.[7]

Understanding the current focus on developing school-to-work systems, the importance of at-risk and dropout students, and the struggles states face in funding these alternative learning environments, this report examines some examples of programs or options that might address the concerns of including at-risk and dropout students in school-to-work principles and how states can fund these ideas without appropriating large additional amounts of money.

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[7] N.M. Stat. Ann. §22-8-17 through §22-8-25.

Dropouts and At-Risk Students

It is very difficult to determine, with accuracy, the number of dropout students. Most statistics only show how many students left high school, not how many students did not complete their education. These figures do not take into consideration the fact that some students drop out before high school and in some cases before junior high school.

How at-risk numbers and dropout rates are determined vary from state to state. **Alabama** defines students as being at-risk if they are two years behind grade level and older than their peers; lack essentials skills; have adjustment or behavioral problems; are on long-term suspension; are parents or pregnant; are in jeopardy of not graduating from high school; fall into a range of socio-economic predictive data; and have poor attendance records.[8]

Some states still count students receiving a GED as dropouts, while others do not. **Alabama's** definition of dropout is a student who was enrolled in school during the previous year but not enrolled at the beginning of the current year; has not graduated or completed an educational program; and did not transfer to another education program, was not suspended, ill or attending a church program.[9]

Maine's broad definition of a dropout student is "any person who has withdrawn for any reason except death, or been expelled from school before graduation or completion of a program of studies, and who has not enrolled in another educational institution or program."[10]

In addition, states use a variety of student categories to determine the definition of at-risk for additional per-pupil funding (which will be discussed later in this report), including bilingual, economically disadvantaged, eligible to receive free and reduced lunches, eligible for AFDC, participating in vocational education, teenage parents, homeless or living in public housing.

These dropouts will earn significantly less money than those students who graduate from high school, and they will cost society more money because nearly half the heads of households on welfare and half the prison population in 1992 did not finish high school.[11]

The 1990 report *America's Choice: high skills or low wages!* asserts that over time American society pays the price for letting students drop out of school: "Over the long run, however, we pay. Our welfare and unemployment systems, our prisons and ultimately, the national economy are continually drained by the cost of sustaining an uneducated, unproductive

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[8] Ala. Code §16-3-17.2 (a) (1).

[9] Ala. Code §16-3-17.2 (a) (2).

[10] Me. Rev. Stat. Ann. tit. 20-A, §5102.

[11] Richard J. Coley, *Dreams Deferred: High School Dropouts in the United States* (Princeton, N. J.: Education Testing Service Policy Information Center, 1995), p. 4.

individual in our society." [12]

The problems of dropout students are certainly on the agenda of many state legislatures. To address state concerns about student dropouts, the **Maine** Legislature created the Office of Truancy, Dropout and Alternative Education in 1986.[13] Among other things, this office provides assistance to **Maine** schools to establish local dropout prevention committees to study the problems of dropouts, truancy and the need for alternative programs; to make recommendations; and to submit a plan of action.[14]

Several states, like **Colorado**, emphasize the connection between dropouts and lost earning potential for the economy and lost skills for businesses. **Colorado's** law, Education Clinics for Public School Dropouts reads,

> The public school dropout rate in **Colorado** has reached alarming proportions. Such dropout rate has resulted in a loss of talent for businesses and other aspects of the economy which need trained, educated and motivated workers, as well as a loss to the state which needs a productive and contributing citizenry. The general assembly further declares that it is necessary to recapture the interest and motivation of the students who have left the public schools and encourage such students to return to school and complete their education.[15]

In the 1970s when dropout rates were slightly higher than today, young people without high school diplomas could still get well-paying jobs. However, in the highly skilled job market of today's economy, dropouts often find welfare or lower-paying labor and service jobs their only options.

As state legislatures consider school funding issues, more attention has been drawn to the at-risk and dropout student population. **Arkansas'** 1995 Equitable School Finance System Act

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[12] Commission on the Skills of the American Workforce, *America's Choice: high skills or low wages*! Rochester, N.Y.: National Center on Education and the Economy, June 1990), p. 47.

[13] Me. Rev. Stat. Ann. tit. 20-A §5151 & §5152.

[14] Me. Rev. Stat. Ann. tit. 20-A, §5103.

[15] Colo. Rev. Stat. §22-27-101.

states:

> The General Assembly finds that a suitable and efficient system of public education should...assure that students who are not on track for high school graduation are identified at a sufficiently early date that they may be provided an opportunity at reasonable cost to achieve the minimum levels of competence necessary to graduate from high school.[16]

Some states are requiring schools and departments of education to identify at-risk and dropout students and report school performance rates to the legislatures or the departments of education. As mentioned later in this report, this kind of reporting requirement holds schools accountable for performance measures, which often include dropout rates.

The **West Virginia** State Board of Education is required to report to the Legislature the identification of existing programs and "findings and recommendations for funding such programs so as to provide delivery to all children at risk of not succeeding in school. The report shall also include teaching techniques and learning strategies and the state board definition of children at risk."[17]

Illinois schools must furnish to the state board of education the names and addresses of students who have been expelled, withdrawn or left school.[18] **Kentucky** school districts must complete an annual performance report on enrollment, number and percentage of dropouts, retention rates and student performance, among other things.[19] The **Michigan** Department of

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[16] The Equitable School Finance System Act of 1995 (Act 917), §2 (g) (6).

[17] W.Va. Code §18-8A-4.

[18] Ill. Ann. Stat. ch. 105, §5/26-3a.

[19] Ky. Rev. Stat. §158.6453.

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Education must report all district and state pupil dropout rates to the House and Senate education committees, appropriations committees and the **Michigan** Department of Management and Budget each year.[20]

In addition, students who have not been successful in the traditional classroom setting often have a great deal to gain from work experience. Students who have already dropped out of school (including those who have been expelled) are reluctant to return to the same traditional learning experience where they were previously unsuccessful. Other students who are currently in school, but are not able to perform well in the regular school setting for a variety of reasons, or are overage and so far behind in credits that graduation seems impossible, can also benefit from work experience.

An early investment in giving high school students a solid basic education, along with job skills and career options, can provide great rewards to society in the form of self-sufficient, tax paying, productive citizens.

School-to-Work Opportunities

Policymakers are beginning to realize that educational systems will not be successful as long as they continue to focus a majority of their resources on only the college-bound students, while the majority of students do not successfully complete a postsecondary program. Many of

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[20] Mich. Comp. Laws Ann. § 388.1608.

these students are often lacking the necessary knowledge and skills to get a good paying job.

Many at-risk and dropout students find it difficult to succeed in the traditional classroom system of "book learning," though they may thrive in more practical work experiences. Students who have already dropped out of school (or who have been expelled) are reluctant to return to the same setting in which they had been unsuccessful. For many of these students, school-to-work programs are a good alternative.

A school-to-work program combines school-based learning and on-the-job instruction in a structured learning experience. Currently no state has a comprehensive statewide school-to-work system serving a substantial number of students. But many states often supported with funding from the federal School-to-Work Opportunities Act,[21] are integrating the principles of school-to-work into their existing systems.

States have found that two of the greatest challenges to the goal of providing an educational work experience for all students are (1) finding a way to include at-risk and dropout students and (2) funding the programs after they are under way and the short-term development grant money is gone. The purpose of this project is to explore these two critical issues.

As discussed earlier in this chapter, some states have addressed these problems by allowing state per-pupil funding to follow the student to other schools, programs or alternative learning opportunities that may serve them better. Advocates for dropouts and the disadvantaged long have sought a way of assessing K-12 funding to provide

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[21] Alaska, Arizona, Colorado, Florida, Hawaii, Idaho, Indiana, Iowa, Maryland, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Pennsylvania, Utah, Vermont, Washington, West Virginia received initial grant awards. Kentucky, Maine, Massachusetts, Michigan, New Jersey, New York, Oregon, and Wisconsin received second-year grants.

alternative and second-chance learning opportunities. *America's Choice: high skills or low wages!* highlighted the concept of "learning centers" funded by money that followed students from mainstream schools; this discussion renewed consideration of this funding method. Although comprehensive research on the issue is not available, anecdotal evidence suggests that a handful of states and school districts allow state per-pupil money to fund alternative education.

It is interesting to note that although several states' survey responses reported that state funding did *not* follow the student into alternative programs or schools, the respondents went on to describe specific state programs where the funding did, in fact, follow the student. In addition, independent research found many examples where surveys reported none existed.

Although no laws were found that *required* funding to follow at-risk and dropout students into school-to-work settings specifically, no laws were found to *prohibit* it either. And even though there were no prohibitions, survey respondents often did not know if any school districts were incorporating this idea at the local level. If policies are this unclear at the state level, it may mean that school districts also are unsure that those funding options were available to them.

Although not all of the programs mentioned in this report specifically target at-risk and dropout students in school-to-work learning environments, an examination of available programs can provide examples of funding policies that can be expanded or created to include those types of student needs.

It should be cautioned that this examination of programs and policies is far from complete. The limiting nature of surveys and those who answer them and the complicated ideas

involved in these issues necessitate additional research. To explore these initial findings, a more detailed survey and more in-depth research is needed not only to search state law provisions but to better understand how this concept is being used, along with its successes and problems.

The report describes the following programs and policies: school enrollment options, including open enrollment and transfer agreements; special schools and centers, including vocational education schools, charter schools, alternative schools and learning centers; special programs, including postsecondary enrollment options, public and private cooperation; and special education and programs for the institutionalized and homeless. This report also reviews financial incentives currently being used to benefit at-risk students and dropouts and looks at school accountability measures.

School Enrollment Options

Some states believe allowing students to attend a school other than their resident school can provide learning opportunities more suited to their educational needs. This idea, commonly referred to as public school choice or open enrollment, was mentioned by some states as a direct way for funding to follow the student. Other states permit student transfers under certain circumstances. Allowing students to attend private schools with parents receiving vouchers or tax credits is also being debated in several states, although the constitutionality of this type of program is in question.

States with enrollment options believe if students are allowed to choose which public schools to attend, the students will be able to choose schools with special programs or services that will suit their individual learning or career needs. These states point out that this allows at-risk students or dropouts to choose to attend schools with alternative learning programs, including school-to-work opportunities.

It should be pointed out that it is sometimes hard to distinguish between which states consider their laws open enrollment and which states consider their laws allowing only special student transfers. For example, according to one state department of education, its school choice law is not considered open enrollment because the law is seldom used. In this report the states were categorized by what the law allows, not common practice.

Open Enrollment

States have passed a variety of open enrollment laws.[22] Some states limit the student's choice to public schools within a school district, while other states allow public school choice across school districts. **Texas** provides public school choice for students in low-performing schools.[23]

Some states believe allowing students to choose which school to attend helps students stay in school. The **Arkansas** Public School Choice Act states:

> There is no "right" school for every student, and permitting students to choose from among different schools with differing assets will increase the likelihood that some marginal students will stay in school and that other, more motivated students will find their full academic potential.[24]

Although several states allow school districts to refuse to accept any nonresident students,[25] most school

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[22] States with public school open enrollment: Alabama (Ala. Code §16-3-20.1); Arizona (Ariz. Rev. Stat. Ann. §15-816 through §15-816.07); Arkansas (Ark. Stat. Ann. §6-18-206); California (Cal. Educ. Code §46600 through §46621 & §48209 & §48204 (f) (7)); Colorado (Colo. Rev. Stat. §22-36-101); Idaho (Idaho Code §33-1402 & §33-1403 & §33-1404); Indiana (Ind. Code Ann. §20-3.1-4-1; only for Indianapolis Public Schools); Iowa (Iowa Code Ann. §282.18); Massachusetts (Mass. Gen. Law Ann. Ch. 76, §12B); Minnesota (Minn. Stat. Ann. § 120.062 & §120.0621); Nebraska (Neb. Rev. Stat. § 79-3401 through §79-3417); New Hampshire (allows public school to become open enrollment schools and accept students from outside its district; N.H. Rev. Stat. Ann. §194-B); North Dakota (N.D. Cent. Code § 15-40.3-01 through §15-40.3-06); Ohio (Ohio Rev. Code Ann. §3313.97 & §3313.98); Tennessee (Tenn. Code Ann. §49-6-3104 & §49-6-3108); Texas (Tex. Educ. Code Ann. §29.201 through §29.203, SB 1, passed in May, 1995); Utah (Utah Code Ann. §53A-2-207 through §53A-2-213); and Washington (Wash. Rev. Code Ann. §28A.225.220 through §28A.225.330).

[23] Tex. Educ. Code Ann. §29.202 , SB 1, passed in May, 1995.

[24] Ark. Stat. Ann. §6-18-206 (a) (1).

[25] Arkansas (Ark. Stat. Ann. §6-18-206 (b) (3)); Minnesota (Minn. Stat. Ann. §120.062 Subd. 3); and North Dakota (N.D. Cent. Code §15-40.3-06).

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districts welcome transfer students because state funding usually follows the student to the receiving school. For funding purposes, some states count transfer students in their resident school districts, and money must be transferred from the resident school districts to the receiving school district.[26] Other states count transfer students in the receiving districts for state funding purposes.[27] For example, in **Minnesota** the state sends the per-pupil funding to the receiving district.[28] Approximately 15,000 students used the **Minnesota** enrollment options program in 1995.[29] **Ohio** counts the student in the home school district but the state subtracts that student's per-pupil amount and sends it directly to the receiving district.[30] Depending on who requests the transfer in **Idaho**, either the school district pays (when the district requests the transfer) or the state sends the per-pupil amount directly to the receiving district (when the parents requests the transfer).[31]

A **Texas** student from a low-performing school may use a public education grant which is

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[26] Idaho (Idaho Code §33-1403 & §33-1404); Iowa (Iowa Code Ann. §282.18 (8)); New Hampshire (allows a public school to become an open enrollment school and accept students from outside its district; N.H. Rev. Stat. Ann. §194-B:11); Tennessee (Tenn. Code Ann. §49-6-3104 (c) & (d); see also, telephone conversation with Tennessee Department of Education, March 1, 1996); and Texas (Tex. Educ. Code Ann. §29.203 (a), SB 1, passed in May, 1995).

[27] Arkansas (Ark. Stat. Ann. §6-18-206 (f)); Arizona (Ariz. Rev. Stat. Ann. §15-824 (D); and Arizona Department of Education response to NCSL survey); California (Cal. Educ. Code §46600 through §46621 & §48209.11 & §48204 (f) (7)); Colorado (Colo. Rev. Stat. §22-54-109); Idaho (Idaho Code §33-1402); Massachusetts (Mass. Gen. Law Ann. Ch. 76 §12B (b) (f) & (g)); Minnesota (Minnesota House of Representatives response to NCSL survey; see also, Minn. Stat. Ann. §120.062 Subd. 12 & §124A.036 Subd. 5 & §124.245 Subd. 6); Nebraska (Neb. Rev. Stat. §79-3415 & §79-3806(7)); North Dakota (N.D. Cent. Code §15-40.3-03); Utah (Utah Code Ann. §53A-2-210 (1)) and Washington (Washington Public Instruction phone conversation 3/19/96).

[28] Minnesota House of Representatives response to NCSL survey; see also, Minn. Stat. Ann. §120.062 Subd. 12 & §124A.036 Subd. 5 & §124.245 Subd. 6.

[29] Minnesota House of Representatives response to NCSL survey.

[30] Ohio Rev. Code Ann. §3313.97 & §3313.98; and phone conversation with Ohio Department of Education, March 27, 1996.

[31] Idaho Code §33-1402 through §33-1404; and phone conversation with Idaho Department of Education, April 2, 1996.

the entitlement of the student and includes both state and local money paid by the resident school district to the attending school district.[32] A receiving school district that receives more applications than positions must give priority to students at risk of dropping out of school and are filled by lottery.[33] No students have yet taken advantage of this law. In addition to this limited form of open enrollment, **Texas** also provides transfer agreements as an option for students to attend other schools.[34]

Transfer Agreements

States *without* open enrollment laws (sometimes in addition to open enrollment laws) still allow schools to make agreements for students, under certain circumstances, to attend other schools within the state or in another state.[35] The resident school district usually pays the tuition,[36] but in some states, the student is included in the student count of the receiving district

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[32] Tex. Educ. Code Ann. §29.203 (b), SB 1, passed in May, 1995.

[33] Tex. Educ. Code Ann. §29.203 (c), SB 1, passed in May, 1995.

[34] Tex. Educ. Code Ann. §25.031 through §25.042.

[35] Alaska (Alaska Stat. §14.14.110 through §14.14.120); Arkansas (Ark. Stat. Ann. §6-13-106); Georgia (Ga. Code Ann. §20-2-293); Kentucky (Ky. Rev. Stat. §158.120); Louisiana (La. Rev. Stat. Ann. §17:105); Maine (Me. Rev. Stat. Ann. tit. 20-A, §5204 & §5205); Nevada (Nev. Rev. Stat. §392.010); New Hampshire (N.H. Rev. Stat. Ann. §193:3 & §193:4); New Jersey (N.J. Stat. Ann. §18A:38); New York (N.Y. Educ. Law §3202 & §3602); North Dakota (N.D. Cent. Code §15-40.2); Oregon (Or. Rev. Stat. §339.125); South Dakota (S.D. Codified Laws Ann. §13-28-20 through §13-28-24); Texas (Tex. Educ. Code Ann. §25.031 through §25.042); Vermont (Vt. Stat. Ann. tit. 16, §822 & §824 & §3445); Virginia (Va. Code §22.1-269.1); Wisconsin (Wis. Stat. Ann. §121.77 & §121.78 & §121.85); and Wyoming (Wyo. Stat. §21-4-501 through §21-4-505).

[36] Alaska (Alaska Stat. §14.14.120 (c)); Arkansas (Ark. Stat. Ann. §6-13-106); Kentucky (Ky. Rev. Stat. §158.120); Louisiana (La. Rev. Stat. Ann. §17:105); Maine (Me. Rev. Stat. Ann. tit. 20-A, §5204);

for funding purposes.[37] In **New York** the transfer student's parents are responsible for paying any additional cost of educating the child beyond the state per-pupil amount given directly to the receiving school.[38] **Maine** provides for both funding alternatives depending on the type of transfer.[39]

Generally, the transfer must be approved by the school district after a transfer request is made. But certain situations are specifically allowed. For example, in some states, if a student lives more than 10 miles from the nearest high school and no bus service is provided, the student may attend any public school in the state, or sometimes in another state, and the resident school district will pay the tuition.[40] This type of arrangement can benefit rural areas where educational opportunities may be more limited.

An **Arizona** student who lives far from school or has no adequate transportation to school, may attend school in an adjoining school district or county, either in the state or in another state and is counted in the student's resident school district.[41] **Wyoming** students may attend another

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Michigan (Mich. Comp. Laws Ann. §388.1711); Nevada (Nev. Rev. Stat. §392.010 (1) b) & §392.010 (2)); New Hampshire (N. H. Rev. Stat. Ann. §193:4); New Jersey (N.J. Stat. Ann. §18A:38-19); North Dakota (N.D. Cent. Code §15-40.2-03); Oregon (Or. Rev. Stat. §339.125 (1)); Texas (Tex. Educ. Code Ann. §25.031 through §25.042); Vermont (Vt. Stat. Ann. tit. 16, §824); Wisconsin (Wis. Stat. Ann. §121.78); and Wyoming (Wyo. Stat. §21-4-501 through §21-4-505).

[37]Georgia (Ga. Code Ann. §20-2-293, and phone conversation with Georgia Department of Education, March 15, 1996.); Maine (Me Rev. Stat. Ann. tit. 20-A, §5205 (6)(D)); and New York (N.Y. Educ. Law §3202 & §3602).

[38] Phone conversation with New York Education Department, March 19, 1996; see also, N.Y. Educ. Law §3602.

[39]Me. Rev. Stat. Ann. tit. 20-A, §5204 & §5205 (6) (D).

[40] Maine (Me. Rev. Stat. Ann. tit. 20-A, §5204 (2)); and South Dakota (S.D. Codified Laws Ann. §13-28-20).

[41] Ariz. Rev. Stat. Ann. §15-825(A); see also, Pennsylvania (24 Pa. Cons. Stat. Ann. §13-1313).

school district if it is more convenient or desirable because of services provided by the other school district. The resident school district pays the tuition.[42]

In addition to the **Minnesota** enrollment options program mentioned previously, **Minnesota's** High School Graduation Incentive Program allows at-risk students to participate in various alternative programs. The goal of this program is to "provide incentives for and encourage all **Minnesota** students who have experienced or are experiencing difficulty in the traditional education system to enroll in alternative programs in order to complete their high school education."[43] To attend another public school or a privately operated education program operating under contract with the school district, participants must be 12 years and older, have a deficiency in basic skills, already be a parent or pregnant, have a history of personal or disciplinary problems, have been expelled from regular school programs, or be homeless, among other criteria.[44] The state transfers the money, or the district sometimes receives the funding and transfers at least 88 percent of the funding to a privately operated education program.[45]

In some states where high schools contract with other districts to educate all their students, school districts are authorized to pay for the facilities and tuition out of the funding

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[42] Wyo. Stat. §21-4-502.

[43] Minn. Stat. Ann. §126.22 Subd. 1.

[44] Minn. Stat. Ann. §126.22 & §126.23.

[45] Minn. Stat. Ann. §126.22 Subd. 8 & §126.23.

received from the state.[46] Although not considered an open enrollment state, **Vermont** allows school boards to close an existing high school and pay the tuition for the students to attend an approved public or independent high school selected by the parents. The chosen school may be in the state or outside the state.[47]

Schools with very low enrollment can also allow students to attend a nearby school. **Maine** schools with a student count of 10 or fewer, allow students to attend nearby schools with the resident school transferring the state per-pupil funding .[48] In **Alaska**, where some schools are in very remote locations, the district with fewer than eight students in elementary school and high school may pay the tuition and boarding costs for the students to attend another district or provide correspondence courses.[49]

Many states not only allow students to attend schools in other districts, they also allow students, often at the initiative of the school board, to attend schools in neighboring states with tuition to be paid by the home school district.[50] **New Jersey** allows attendance in an adjacent

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[46] Arkansas (Ark. Stat. Ann. §6-13-106); Louisiana (La. Rev. Stat. Ann. §17: 155); Maine (Me. Rev. Stat. Ann. tit. 20-A, §5204 (4)); Massachusetts (Mass. Gen. Laws Ann. ch. 71, §6); New Jersey (N.J. Stat. Ann. §18A:38-11); and Wyoming (Wyo. Stat. §21-4-501).

[47] Vt. Stat. Ann. tit. 16, §822.

[48] Me. Rev. Stat. Ann. tit. 20-A, §5204 (5).

[49] Alaska Stat. §14.14.120; see also, Vermont (Vt. Stat. Ann. tit. 16, §822).

[50] Arizona (Ariz. Rev. Stat. Ann. §15-825 (A)); California (Cal. Educ. Code §46609); Idaho (Idaho Code §33-1403); Maine (Me. Rev. Stat. Ann. tit. 20-A, §5204 (2)); Minnesota (Minn. Stat. Ann. §120.0621); New Jersey (N.J. Stat. Ann. §18A:38-10); Pennsylvania (24 Pa. Cons. Stat. Ann. §18-1809(b) (c)); South Dakota (S.D. Codified Laws Ann. §13-15-8 & §13-15-8.1& §13-15-10 & §13-15-21 & §13-15-24); Tennessee (Tenn. Code Ann. §49-6-3108); and Wyoming (Wyo. Stat. §21-4-505).

school district outside the state in order to get better school facilities, or to save money, among other reasons.[51] If it is more advantageous or economical for a **Wyoming** student to attend a public school in another state, the school district board of trustees may enter into an agreement for the education of those students and is responsible for the payment of tuition.[52]

Denial of Student Transfers

In many states, both those that offer open enrollment and those that allow special transfers, there are occasions when a student's request to transfer to another school can be denied.

As mentioned previously, several states allow school districts to decline to accept any nonresident students. Most states allow school districts to deny student transfer requests if they went against court-orders for racial desegregation efforts or if they would negatively affect the racial balance of the school district.[53] In **Washington** a school can refuse to accept a transfer student if it would place a financial hardship on the school district.[54]

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[51] N.J. Stat. Ann. §18A:38-10.

[52] Wyo. Stat. §21-4-505.

[53] Alabama (Ala. Code §16-3-20.1(c)(2)); Arizona (Ariz. Rev. Stat. Ann. §15-816.04); Arkansas (Ark. Stat. Ann. §6-18-317(1) & (2)); Iowa (Iowa Code Ann. §282.18 (4) & (14)); Minnesota (Minn. Stat. Ann. §120.062 Subd. 5); Nebraska (Neb. Rev. Stat. 79-3407(2)); Ohio (Ohio Rev. Code Ann. §3313.97 (B)(2)(c) & §3313.98(F)(1)(a)); and Virginia (Va. Code §22.1-269.1).

[54] Wash. Rev. Code Ann. §28A.225.225 (1).

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Several states allow schools to deny student transfers if they would cause the school to be overcrowded,[55] or if a student has been expelled from another school.[56] For example, school boards can set standards for accepting students, which include the capacity of a program, class, grade level or school building.[57] If there are more requests for student transfers than space available, the students generally are chosen by lottery.

Private School Choice

A few states are debating private school choice programs. Private school choice usually consists of vouchers (certificates with a certain dollar value that can be used by parents to educate students at public and private schools) or tax credits (parents receive a credit against income or property taxes for money they spend on their children's private school tuition, books or other expenses) for students to attend private schools. Only a very limited number of states currently have private school choice.[58] **Puerto Rico's** private school choice law recently was found unconstitutional.

Wisconsin's Milwaukee parental choice program allows state funds to follow a limited number of low-income students to private, nonsectarian Milwaukee schools. The money is

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[55] Arkansas (Ark. Stat. Ann. §6-18-206(b) (2)); Indiana (Ind. Code Ann. § 20-3.1-4-2); South Dakota (S.D. Codified Laws Ann. §13-28-21); and Wyoming (Wyo. Stat. §21-4-501 & §21-4-502).

[56] Arizona (Ariz. Rev. Stat. Ann. §15-816.02 (C)); Iowa (Iowa Code Ann. §282.18 (16)) and Oregon (Or. Rev. Stat. §339.115 amended in 1995 by Section 1 (4) (a) & (b) of HB 2487.

[57] Arkansas (Ark. Stat. Ann. §6-18-206 (b) (2)); and Minnesota (Minn. Stat. Ann. §120.062 Subd. 7).

[58] Wisconsin (Wis. Stat. Ann. §119.23); and Ohio (Ohio Rev. Code Ann. §3313.974 through §3313.979; Ohio House Bill 117 (1995)).

transferred from the state superintendent to the private school.[59] The future of the program is in jeopardy and currently is being challenged in the courts.[60]

Ohio passed House Bill 117, effective July 1995, which provides state funds to the Cleveland City School District to operate a pilot school choice program involving private schools. However, the recent law is being challenged in court.[61]

Although seldom used, **Vermont** law allows state general school aid to be used for tuition to public schools and approved independent schools.[62]

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[59] Wis. Stat. Ann. §119.23.

[60] Wisconsin Department of Public Instruction response to NCSL survey.

[61] Ohio (Ohio Rev. Code Ann. §3313.974 through §3313.979; House Bill 117 (1995)).

[62] Vt. Stat. Ann. tit. 16, §3445.

Alternative Learning Environment

Most states recognize that the wasted learning potential of dropout students affects the future financial stability of families, the productivity of workers and the strength of the economy, therefore, they allow or require schools to create a variety of alternative learning environments where at-risk students can succeed.[63] These programs range from alternative classrooms and programs to alternative schools with separate facilities. State legislatures are focusing more attention on providing flexibility for schools to create innovative, nontraditional educational and training programs for at-risk students and dropouts.

For example, **Arkansas** requires every school district to establish an alternative learning environment that includes activities within or outside a school that will eliminate traditional barriers to learning.[64] **Iowa** and **Louisiana** require each school district to adopt a plan to provide alternative education programs for at-risk students and dropouts.[65]

Arizona allows school districts to contract with any public body or private person to provide alternative education programs.[66] These alternative education programs can include

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[63] States with alternative learning environments: Arizona (Ariz. Rev. Stat. Ann. §15-796); Arkansas (Ark. Stat. Ann. §6-18-508); Iowa (Iowa Code Ann. §280.19A); Maine (Me. Rev. Stat. Ann. tit. 20-A, §4729); Massachusetts (Mass. Gen. Law Ann. ch. 69, §1F); New York (N.Y. Educ. Law §3602 and New York Education Department response to NCSL survey); North Dakota (N.D. Cent. Code §15-19-01); Tennessee (Tenn. Code Ann. §49-6-3002 (5)); and Texas (Tex. Educ. Code Ann. §29.081).

[64] Ark. Stat. Ann. §6-18-508 & §6-18-509.

[65] Iowa (Iowa Code Ann. §280.19A); and Louisiana (La. Rev. Stat. Ann. §17: 7.5 & §17: 283).

[66] Ariz. Rev. Stat. Ann. §15-796 (A).

modifications of the curriculum and adoption of alternative teaching methods, materials and techniques for students who are unable to profit from the regular school course of study and environment.[67] **Arizona** students attending an alternative education program are still counted by the school for funding purposes, even if the program is outside the school building. The school districts pay for the students' tuition.[68]

Tennessee requires schools to establish alternative programs to provide educational options for students failing to meet attendance requirements.[69] In **New York**, students who attend alternative programs leading to a regular high school diploma or high school equivalency diploma are counted as an "equivalent attendance" and generate regular operating aid for the school district. Students in these alternative programs must be under 21 and at risk of failing in a regular school program or must have already dropped out. In 1994-95, equivalent attendance was calculated for 20,315 **New York** students.[70]

Washington allows school districts to claim basic education allocation funds for students attending classes outside the regular school year, as long as the class time replaces attendance during the regular year.[71] This funding mechanism could be used to allow dropouts and at-risk

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[67] Ariz. Rev. Stat. Ann. §15-796 (C).

[68] Ariz. Rev. Stat. Ann. §15-797; see also, Arizona Department of Education response to NCSL survey.

[69] Tenn. Code Ann. §49-6-3002 (5).

[70] N.Y. Educ. Law §3602; see also, New York Education Department response to NCSL survey.

[71] Wash. Rev. Code Ann. §28A.150.420.

students to participate in programs outside the regular school year. **Maine** students can enroll in an alternative program in another school or an approved private alternative program and are counted as part of the alternative program for state funding purposes.[72]

Two state representatives introduced a bill in the 1995 **Colorado** legislative session that would have provided for state funding to follow a student who was removed from public schools for disciplinary action. Although unsuccessful, House Bill 95-1317 sought to create a juvenile services planning committee that would develop an individual education plan for students with disruptive behavior that would include educational alternatives such as placement in another school district, in a school for expelled or suspended students, or in private school or home schooling. The **Colorado** bill stipulated that if a student is placed in another school district, the per-pupil operating revenues would transfer with the student to the new school. If the student participates in home schooling, up to 50 percent of the student's per-pupil revenue could be used for educational materials for the student. Seventy-five percent of per-pupil revenues would have followed the student into newly created schools for expelled or suspended students.[73]

Although **Massachusetts** allows funding to follow the student, in fact, requires it in charter schools and school choice laws, a recent court case ruled that a student is not entitled to an alternative education after being expelled from school unless legislatively mandated.[74] However,

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[72] Me. Rev. Stat. Ann. tit. 20-A, §5104-A.

[73] HB 95-1317, sponsored by Reps. Jeanne Adkins and Jeannie Reeser.

[74] Jane Doe vs. Superintendent of Schools of Worchester & Others, as reported by Massachusetts Education, Arts and Humanities Joint Committee, March 19, 1996.

in a 1994 Commission on Alternative Education report to the **Massachusetts** Legislature, the Commission recommended:

> In order to encourage local accountability and create an incentive to develop programs that are school- and district-based, the per-pupil cost of educating a student in an alternative setting should be the responsibility of the district in which the student was attending public school. The foundation formula under the Education Reform Act is built upon the per-pupil cost of various students within the district. Under current law, a cost is assessed to the district for tuitioned-out, for school choice and for charter school students. A similar funding mechanism should be used for alternative education programs, so that money currently spent on a student follows him or her to an alternative education program. This will provide an incentive for districts to develop their own alternative education programs or to collaborate with neighboring school systems to develop alternatives.[75]

Nebraska recently passed a bill that requires schools to provide alternative education to expelled students and dropouts.[76]

Special Schools and Centers

A variety of special schools and centers are allowed in some states and offer ways at-risk and dropout students can participate in alternative learning options.

New Jersey allows students to attend demonstration schools connected with state colleges, attend special courses in other districts not taught in their home district or attend

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[75] *First Report on Alternative Education*, by the Commission on Alternative Education and the MassJobs Council, September 29, 1994, p. 22. (Commission members included Attorney General Scott Harshbarger, Commissioner of Education Robert V. Antonucci and Chairman of the Massachusetts Board of Education Martin S. Kaplan.)

[76] LB 1050, Neb. Rev. Stat. §79-4, 179.01 and phone conversation with Sen. Ardyce Bohlke's office.

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evening high school courses in another district. In all of these examples, the sending school district pays the tuition to the receiving district. [77]

Specialized secondary schools or academies are centered around a particular area of interest such as science, math, computer science, performing arts or visual arts. [78] A student is usually accepted on the basis of ability, past performance and grades, although some academies are especially for at-risk students.[79]

Connecticut supports interdistrict magnet schools by paying a grant up to $5,140 per pupil in attendance directly to the magnet schools. The home district continues to receive an average daily membership count for the students attending magnet schools, but it must pay a portion of the costs of those students.[80] Approximately 1,500 students participate in magnet schools in **Connecticut**.[81]

Magnet schools, vocational schools and alternative schools are considered part of **Alabama's** schools of choice plan.[82] However, the **Alabama** Department of Education reported this law is seldom

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[77] N.J. Stat. Ann. §18A:38-15 through §18:38-24.

[78]States with specialized schools: California (Cal. Educ. Code §58800 through §58805); Connecticut Department of Education response to NCSL survey; District of Columbia Public Schools response to NCSL survey; Louisiana (La. Rev. Stat. Ann. §17:1962); Massachusetts (Mass. Gen. Law Ann. ch. 71, §37I & §37J); Kentucky (the Kentucky Education Reform Act allows schools the flexibility to create magnet career academies); and Minnesota (Minn. Stat. Ann. §124C.498).

[79] Philadelphia academies were targeted to at-risk students.

[80] Connecticut Department of Education response to NCSL survey.

[81] Connecticut Department of Education phone interview, March 1, 1996.

[82] Ala. Code §16.3.20.1(b) (1).

used.[83]

Vocational Education Schools

States often create separate vocational education schools that provide hands-on training for skilled jobs and trades. These schools can be geared not only to students who do not choose to attend college, but also to those students who have difficulty succeeding in the traditional school setting. Vocational education schools also offer options to students who have already dropped out of school.

Students may attend district, regional and county vocational schools in **New Jersey** as long as there is room, and the sending district must pay the tuition to the vocational school. **New Jersey** even allows students to attend private vocational schools if the courses are not provided by the county or regional vocational schools or other school districts, or if the private vocational school training costs less.[84]

California allows for the creation of regional occupational centers to enable students to attend a technical school or vocational or training program no matter where the students live. The resident school district pays the actual cost per unit of average daily attendance to the regional occupational program or center.[85] The **California** Legislature declared that the regional occupational centers will "prepare students for an increasingly technological society in which

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[83] Phone conversation with Alabama Department of Education, March 18, 1996.

[84] N. J. Stat. Ann. §18:54-10.1.

[85] Cal. Educ. Code §52314.

generalized training and skills are insufficient to prepare high school students and graduates and out-of-school youth and adults for the many employment opportunities which require special or technical training and skills."[86] Dropouts aged 16 to 18 may attend a regional occupational center or program.[87]

Tuition for out-of-district students attending **Massachusetts** vocational schools is paid for by the resident school district.[88] **Vermont** has regional technical centers with tuition paid by the resident school district.[89] The purpose of the **Vermont** law states:

> It is the policy of the state of Vermont that all Vermonters should receive educational services that enable them to master the skills essential for further education and training or for successful entry into or advancement in the workplace.

Charter Schools

Some states responding to the survey mentioned charter schools as their means for offering nontraditional teaching and learning experiences, like the more hands-on approach of

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[86] Cal. Educ. Code §52300.

[87] Cal. Educ. Code §52314.5.

[88] Massachusetts (Mass. Gen. Law Ann. ch. 74, §7C); and North Dakota (N.D. Cent. Code §15-20.1-07 through §15-20.1-10).

[89] Vt. Stat. Ann. tit. 16, §1521 & 1522 & §1552 & §1561.

learning by doing.[90] These states have developed a process that allows educators to create charter schools. These schools generally receive waivers from most state regulations and so are free to be more innovative. Several states with charter school laws have not yet approved any charters and some states, like **Kansas**, reported that no charter schools are expected to be approved in the near future.[91]

Charter schools often emphasize some particular learning style or subject specialty. For example, charter schools can be tailored to meet the needs of students not performing well in traditional schools by focusing on learning through work experience. A charter school could focus on school-to-work transition and career opportunities, combining academics with applied learning.

Hawaii's law states that the purpose of student-center schools (charter schools) is to provide the needed flexibility to develop and implement innovative programs and administrative frameworks that best serve the needs of students. These include changes in curriculum; facilities management; instructional approaches; length of day, week or year; and personnel

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[90] States with charter schools: Alaska (Senate Bill 88, passed March 1995); Arkansas (House Bill 1934 (Act 1126) passed 1995); Arizona (Ariz. Rev. Stat. Ann. §15-181); California (Cal. Educ. Code §47600); Colorado (Colo. Rev. Stat. §22-30.5-101); Delaware (Del. Code Ann. tit. 14, §5-501, SB 200); Georgia (Ga. Code Ann. §20-2-255); Hawaii (Hawaii Rev. Stat. §296-101& §296-102); Kansas (SB 803 (1994); Kan. Stat. Ann. §72-9901); Louisiana (Senate Bill 1305 (1995), La. Rev. Stat. Ann. §17:3971 through §17:3982); Massachusetts (Mass. Gen. Law Ann. Ch. 71, §89); Michigan (Mich. Comp. Laws Ann. §380:501); Minnesota (Minn. Stat. Ann. §120.064 & §124.248); New Hampshire (N.H. Rev. Stat. Ann. §194-B:1 through §194-B:21); New Mexico (N.M. Stat. Ann. §22-8A-1 through §22-8A-7); Rhode Island (R.I. Gen. Laws §16-77-1 through §16-77-11); Texas (Tex. Educ. Code Ann. §12.011 & §12.051, & §12.101; SB 1, passed in May, 1995); Wisconsin (Wis. Stat. §118.40); and Wyoming (Wyo. Stat. §21-3-201 through §21-3-207).

[91] Phone conversation with Kansas Board of Education, March 11, 1996.

management.[92]

Minnesota charter schools seek to improve learning, increase learning opportunities, use different and innovative teaching methods, measure learning outcomes, establish new forms of accountability for schools and create new professional opportunities for teachers.[93]

In 1993 the **Colorado** General Assembly provided the opportunity for 50 charter schools to be created, with at least 13 of those new schools targeted to at-risk students.[94] **Wisconsin** provides for a school board to give preferences to charter schools that serve children at-risk.[95]

Wyoming's charter schools seek to improve pupil learning, expand learning experiences, use different and innovative teaching methods, create new professional opportunities for teachers and expand choices in educational opportunities.[96]

Charter schools can receive the per-pupil funding amounts from the state for their students,[97] or the school district sends all or most of the per-pupil amount to the charter school.[98]

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[92] Hawaii Rev. Stat. §296-101 & §296-102 (a).

[93] Minn. Stat. Ann. §120.064 Subd. 1.

[94] Colo. Rev. Stat. §22-30.5-109 (2)(a).

[95] Wis. Stat. Ann. §118.40 (3) (d).

[96] Wyo. Stat. §21-3-201.

[97] Arizona (Ariz. Rev. Stat. Ann. §15-185; see also, Arizona Department of Education response to NCSL survey); Delaware (Del. Code Ann. tit. 14 §5-501, SB 200, phone conversation with Delaware Department of Public Instruction, March 11, 1996); Hawaii (Hawaii Rev. Stat. §296-102 (d) and phone conversation with Hawaii Department of Education, March 11, 1996); Minnesota (Minn. Stat. Ann. §124.248 Subd. 1); and Wyoming (Wyo. Stat. §21-3-207).

[98] Alaska (Senate Bill 88, sec. 3; and phone conversation with Alaska Department of Education, March 11, 1996); Arizona (Ariz. Rev. Stat. Ann. §15-185, see also Arizona Department of Education response to

Interestingly, in **Arizona** both mechanisms are used.[99] If the charter is sponsored by a local school district, the funding goes to the district first, then to the charter school. If, on the other hand, it is a state-sponsored charter, the state sends the funding directly to the charter school. As of March 1996, 46 of the 51 charter schools in **Arizona** are state-sponsored.[100] The **Texas** law sets out a similar system. If it was chartered through the local board, then funding goes to the school district first, but if it was a state-granted charter, the state per-pupil amount is given directly to the charter. However, in March 1996 **Texas** was in the process of attempting to change the funding for the state-granted charters to also go to the local school district.[101]

Hawaii's version of charter schools provides for "student-centered schools" to "receive an allocation of state general funds on a per-student basis which is equal to the

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NCSL survey); Arkansas (House Bill 1934, Act 1126, passed 1995; see also phone conversation with Arkansas Department of Education, March 11, 1996, funding mechanism is still uncertain, but more than likely the money will go through the school district); California (Cal. Educ. Code §47600; phone conversation with California Department of Education, March 16, 1996; there is currently a controversy over whether the law requires the funding to go directly to the charter schools); Colorado (Colo. Rev. Stat. §22-30.5-112); Georgia (Ga. Code Ann. §20-2-225 and phone conversation with Georgia Department of Education, March 11, 1996); Kansas (Senate Bill 803 (1994); Kan. Stat. Ann. §72-9901; phone conversation with Kansas Board of Education, March, 1996); Louisiana (Senate Bill 1305 (1995), La. Rev. Stat. Ann. §17:3971 through §17:3982, phone conversation with Louisiana Department of Education, March 18, 1996); Massachusetts (Mass. Gen. Law Ann. ch. 71, §89); Michigan (Mich. Comp. Laws Ann. §380.501; and phone conversation with Michigan Board of Education on March 11, 1996); New Hampshire (N.H. Rev. Stat. Ann. §194-B:11); New Mexico (N.M. Stat. Ann. §22-8A, and phone conversation with New Mexico Department of Education, March 12, 1996); Rhode Island (R.I. Gen. Laws §16-77-6); and Wisconsin (Wis. Stat. §118.40 (3)(b)).

[99] Ariz. Rev. Stat. Ann. §15-185.

[100] Phone conversation Arizona Department of Education, March 11, 1996.

[101] Tex. Educ. Code Ann. §12.106 & §12.107; and phone conversation with Texas Education Agency, March 11, 1996.

statewide per pupil expenditure for average daily attendance; provided that the allocation for self-contained special education students and for other special education students shall be adjusted appropriately to reflect the additional expenses incurred for the students in these programs."[102]

Alternative Schools

To better serve students who are unsuccessful in traditional schools, alternative schools have been created to meet their needs. These schools can offer flexible class scheduling, GED programs, night school, self-paced instruction, day care for teen parents, smaller classes, mentoring and a greater focus on school-to-work transition, among other innovative learning structures.

In many states alternative schools are located within the school district, and so no funding questions arise when a student transfers. However, some students attend alternative schools outside their resident school district, either in a public school in another district or a school established by nonprofits or community-based organizations. In some cases, the resident school district pays tuition to the alternative school.

Tennessee provides for school boards to establish alternative schools for students who have been expelled or suspended from school. School boards also may choose to send those

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[102] Hawaii Rev. Stat. §296-102 (d).

students to an existing alternative school outside the district. The student's home school district continues to count the student attending an alternative school for funding purposes.[103]

Some states provide additional per-pupil funding for alternative schools. **Idaho** law provides additional funding support units for alternative secondary schools, and payment is based on average daily attendance.[104] Alternative schools in **Mississippi** may be shared by two or more adjacent school districts, and the districts share the costs. The state does provide grants for the support of alternative schools based on a percentage of the school district's average daily attendance multiplied by the average expenditure of public monies per pupil.[105]

Learning Centers

A few states have created learning centers where dropouts or at-risk students can get help in completing their high school diplomas.[106] The centers sometimes are supported with state grants, other funding sources or per-pupil state money.

Kentucky family resource centers and youth services centers, usually located in or near

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[103] Tennessee (Tenn. Code Ann. §49-6-3402 and Tennessee Department of Education survey response); see also, Indiana (Ind. Code Ann. §20-8.1-5.1-17).

[104] Idaho Code §33-1002 (6); see also, Idaho Department of Education response to NCSL survey.

[105] Miss. Code Ann. §37-13-92 & §37-19-22.

[106] States with learning centers: Arkansas (Ark. Stat. Ann. §6-51-906, not yet funded according to the Arkansas Department of Education survey response); Illinois (Ill. Stat. Ann. ch. 105, §5/2-3.62); Kentucky (Ky. Rev. Stat. §156.497 & §156.4977); Minnesota (Minn. Stat. Ann. §124C.45); Missouri (vocational learning centers, Mo. Ann. Stat. §167.324 through §167.332); Oregon (Or. Rev. Stat. §329.860, amended in 1995 by Section 44 of HB 2991); Tennessee (Tenn. Code Ann. §49-2-115) and Washington (Wash. Rev. Code Ann. §28A.205).

schools, provide referrals to health and social services; employment counseling, training and placement; summer and part-time job development; drug counseling; and family crisis and mental health counseling. State grants are awarded to establish or continue these centers.[107]

Tennessee provides grants for the establishment of family resource centers that coordinate state and community services to help meet the needs of families with children. These centers also are involved with parent training, crisis intervention, counseling, pregnant teenagers, at-risk children, Jobs for **Tennessee** Graduates in high schools and parental involvement in school.[108]

Washington's education centers serve students who have dropped out of high school. The state superintendent of public instruction reimburses the education centers on a per-pupil basis from special appropriations.[109] The Legislature recognizes that the education centers have demonstrated success in preparing dropout students for productive roles in society and are an integral part of the state's program to address the needs of students who have dropped out of school.[110] The superintendent of public instruction's office reported that some **Washington** school districts also contract with the education centers to serve at-risk students.[111]

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[107] Ky. Rev. Stat. §156.497 & §156.4977.

[108] Tenn. Code Ann. §49-2-115; see also, model teen learning centers, §49-1-503 through §49-1-508.

[109] Wash. Rev. Code Ann. §28A.205.020 & §28A.205.040 & §28A.205.080.

[110] Wash. Rev. Code Ann. §28A.205.080.

[111] Washington Superintendent of Public Instruction response to NCSL survey.

Colorado's law allows private educational clinics for public school dropouts as an alternative to traditional learning approaches. The clinics provide a bridge back to public school through individualized instruction in basic academic skills with an added focus on employment. Fees for the students are paid for by the school district or the commissioner of education.[112]

Minnesota has several Community Learning Centers originally funded by the New American Schools Development Corporation.[113] Corporate and foundation money is being sought to continue the centers. The centers are used by students to develop their personal learning plan which schedules their learning experiences. For example, students may use the school greenhouse for growing the school's flowers, work on a newsletter using desktop publishing programs, compose a song in the music studio for a drama presentation, interview nearby community residents for an inventory of their life careers or attend regular classes.[114]

Arkansas' comprehensive lifelong learning centers will offer, among other options, remedial education, occupational and technical training, courses in math, science, communications and technologies; customized training and adult retraining programs; and apprenticeship work-based training programs.[115] The **Arkansas** learning centers are not yet

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[112] Colo. Rev. Stat. §22-27-101 through §22-27-110.

[113] Letter from John Sedey, CEO, St. Paul, Minnesota, Designs for Learning, September 7, 1995.

[114] *Community Learning Centers* brochure, St. Paul, Minnesota.

[115] Ark. Stat. Ann. §6-51-906.

funded, according to the **Arkansas** Department of Education.[116]

Area vocational learning centers in **Missouri** assist students in alternative education programs.[117] The resident school district pays the learning center for the portion of the day it provides services to the student.[118]

Other states are looking at allowing state per-pupil funding to follow dropouts to the learning centers. **Oregon's** learning centers are designed to assist students, who have left school, in obtaining their Certificate of Initial Mastery (which shows the student's competence in basic subjects).[119] **Oregon's** learning centers may be developed by a local school district, will receive funds according to the state school funding formula and are entitled to any federal grant funds.[120] The learning centers may also use existing local and community programs.

Staff within the **Wisconsin** Department of Public Instruction have recommended a policy that would allow funds to follow students to area learning centers and alternative programs.[121]

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[116] Phone conversation with Arkansas Department of Education, September, 1995.

[117] Mo. Ann. Stat. §167.324 through §167.332

[118] Mo. Ann. Stat. §167.332 (1).

[119] Or. Rev. Stat. §329.860 amended in 1995 by Section 44 of HB 2991.

[120] Oregon Legislative Administrative Committee response to NCSL survey; see also, Or. Rev. Stat. §329.860 amended in 1995 by Section 44 of HB 2991.

[121] Wisconsin Department of Public Instruction response to NCSL survey.

Special Programs

Many states provide students with the opportunity to participate in special programs and activities while enrolled in high school. These learning options often benefit at-risk and dropout students by providing an alternative to traditional education and can include work-based learning or technical training. Participation in special programs outside of schools usually is paid for by money following the student either from the resident school district or directly from the state.

Postsecondary Enrollment Options

Frequently mentioned in the survey responses were postsecondary enrollment options. Many states allow 11th and 12th grade public school students to attend institutions of higher education, full- or part-time, and receive high school credit or college credit, or both, for successfully completed classes.[122] These programs offer advanced technical training, as well as traditional college courses, and can appeal to students unhappy in high school.

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[122] States with postsecondary enrollment options: Alabama (Ala. Code §16-3-20.1(b)(1)); Arkansas (Ark. Stat. Ann. §6-18-223); California (Cal. Educ. Code §48800 through §48802 & §46146 & §76001); Colorado (Colo. Rev. Stat. §22-35-101 through §22-35-111); Florida (Fla. Stat. Ann. §240.116, see also, §236.081 (j)); Georgia (Ga. Code Ann. §20-2-161.1); Hawaii (Hawaii Rev. Stat. §296-2.61); Iowa (Iowa Code Ann. §261C.1 through §261C.9); Maine (Me. Rev. Stat. Ann. tit. 20-A, §4751 through §4760); Michigan (Mich. Comp. Laws Ann. §388.1621b); Minnesota (Minn. Stat. Ann. §123.3514); Nevada (Nev. Rev. Stat. §389.160); North Dakota (The Legislative Assembly is studying the issue (HCR No. 3006)); Ohio (Ohio Rev. Code Ann. §3365.02 through §3365.10); Oklahoma (Okla. Stat. Ann. §70-628.13); Oregon (Or. Rev. Stat §329.475, amended in 1995 by Section 28 of HB 2991); South Dakota (S.D. Codified Laws Ann. §13-28-37); Tennessee (no additional state funds are used) (Tenn. Code Ann. §49-6-3111); Texas (Tex. Code Ann. §29.184); Utah (Utah Code Ann. §53A-15-101 & §53A-17a-120); Vermont (for technical students) (Vt. Stat. Ann. tit. 16, §1593); Washington (Wash. Rev. Code Ann. §28A.600.300 through §28A.600.400); Wisconsin (Wis. Stat. Ann. §118.37); and Wyoming (Wyo. Stat. §21-20-201).

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Most school districts are responsible for paying the tuition to the postsecondary institution,[123] although in some states the department of education pays the postsecondary institutions directly[124] and a few states require the students to pay any tuition fees.[125] The school districts sometimes continue to receive full or partial per-pupil state funding (reduced for the amount of time the student spends in the postsecondary institution) for those students participating in this program; at the same time the postsecondary institution includes the students in its full-time equivalent calculation.[126]

Minnesota's law cites the purpose of the state's postsecondary enrollment options act is to "promote rigorous academic pursuits and to provide a wider variety of options to high school pupils by encouraging and enabling secondary pupils to enroll full-time or part-time in nonsectarian courses or programs in eligible postsecondary institutions."[127] In **Minnesota** the students can attend a **Minnesota** public postsecondary institution; a private, nonprofit, two-year trade and technical school granting associate degrees; an opportunities industrialization center; or

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[123]Colorado (Colo. Rev. Stat. §22-35-105); Iowa (Iowa Code Ann. §261C.6); Maine (Me. Rev. Stat. Ann. tit. 20-A, §4756); Michigan (Mich. Comp. Laws Ann. §388.1621b); Oregon (Or. Rev. Stat §329.475 amended in 1995 by Section 28 of HB 2991); Texas (Tex. Code Ann. §29.184); Vermont (Vt. Stat. Ann. tit. 16, §1593); Washington (Wash. Rev. Code Ann. §28A.600.310); Wisconsin (Wis. Stat. Ann. §118.37 (5)); and Wyoming (Wyo. Stat. §21-20-201(d)).

[124] Colorado (Colo. Rev. Stat. §22-35-105); Georgia (with appropriations of 1.2 million) (Ga. Code Ann. §20-2-161.1 and Georgia Department of Education survey response); Ohio (Ohio Rev. Code Ann. §3365.07); and Minnesota (Minn. Stat. Ann. §123.3514 Subd. 6).

[125] Colorado (Colo. Rev. Stat. §22-35-105); Hawaii (Hawaii Rev. Stat. §296-2.61 and phone conversation with Hawaii Department of Education confirms Hawaii students must pay tuition costs, April 1, 1996); and South Dakota (S.D. Codified Laws Ann. §13-28-37).

[126] California (Cal. Educ. Code §48802); Florida (Fla. Stat. Ann. §236.081 (j)); and Wyoming (Wyo. Stat. §21-20-201(e)).

[127] Minn. Stat. Ann. §123.3514 Subd. 2.

a private, residential, two-year and four-year, liberal arts degree-granting college or university in **Minnesota**.[128] The postsecondary institution receives a per credit amount from the state and the revenue to the school district is reduced proportionately for the amount of time the student is not in the high school.[129] A February 1993 **Minnesota** House Research report evaluating the postsecondary enrollment options program concluded that the program effectively meets the needs of some students who are failing within the traditional secondary system.[130]

Colorado's postsecondary enrollment options program is intended to help reduce the high dropout rate among 11th and 12th graders.[131] Depending on the situation, in **Colorado** the school district, the state or the student pays the tuition.[132]

Washington's high school students' options program is not only open to 11th and 12th graders but also to students who have not yet received a high school diploma or its equivalent and are eligible to be in the 11th and 12th grades. The local school district pays a uniform rate to the institution for the student's participation.[133] The **Washington** Superintendent of Public

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[128] Minn. Stat. Ann. §123.3514 Subd. 3.

[129] Minnesota House of Representative response to NCSL survey.

[130] *1993 Minnesota Research Department Evaluation Report of Postsecondary Enrollment Options Program*, as cited in *Educational Options and Opportunities for High School Students*, North Dakota Legislative Council staff for the Education Services Committee Background Memorandum, (Bismarck, June 1995), p. 7.

[131] Colo. Rev. Stat. §22-35-102.

[132] Colo. Rev. Stat. §22-35-105.

[133] Wash. Rev. Code Ann. §28A.600.310 (2).

Instruction reports 5,304 students participated in the options program during the 1994-95 school year.[134]

Several survey responses pointed out that the postsecondary enrollment options program can provide opportunities for high school students to receive technical career training since many vocational schools and technical colleges are options for classes. **Vermont** technical high school students may take postsecondary technical courses at the expense of the student's school district of residence.[135] **Florida** also allows students to enroll in postsecondary courses creditable toward a vocational certificate, or an associate or baccalaureate degree. Vocational students using this option must seek a degree or certificate from a complete job preparatory program. Schools still receive full per-pupil funding while the postsecondary institution receives state full-time equivalent money plus 24 percent.[136]

Michigan allows 12th grade students to attend a public or private degree-granting postsecondary institution, and the district will pay the tuition and fees if the course is not offered by the district.[137] In addition, **Michigan** students can take college classes offered at school district facilities for both college and high school credit.[138]

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[134] Washington Superintendent of Public Instruction response to NCSL survey.

[135] Vt. Stat. Ann. tit. 16, §1593.

[136] Fla. Stat. Ann. §240.116, see also Fla. Stat. Ann §236.081 (j) & (q); Phone interview with Florida Department of Education, February 26, 1996.

[137] Mich. Comp. Laws Ann. §388.1621b.

[138] Mich. Comp. Laws Ann. §380.1150.

Hawaii and **Arkansas** students may take postsecondary classes but the law makes no provision for tuition payments.[139] **South Dakota** students may take postsecondary classes during high school, but they must pay all the costs.[140]

The **Georgia** postsecondary options program does not use per-pupil funding but is funded separately for the 1995 fiscal year at $1.2 million.[141]

States with postsecondary enrollment options are good examples of how schools can provide additional technical and career education to students who desire a learning experience not offered at their school districts, while often allowing the funding to follow the student to pay for these opportunities.

Public and Private Cooperation

The survey responses pointed out that in some instances schools share or contract for resources, programs, services, teachers or facilities to improve the quality and variety of educational programs, and to save money. This type of cooperation can be developed with other public schools or agencies, or with private groups and offers a way to use state money to allow students to participate in programs that best fit their needs.[142] State survey responses suggested

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[139]Arkansas (Ark. Stat. Ann. §6-18-223); and Hawaii (Hawaii Rev. Stat. §296-2.61 and phone conversation with Hawaii Department of Education confirms Hawaii students must pay tuition costs, April 1, 1996).

[140] S.D. Codified Laws Ann. §13-28-37.

[141] Ga. Code Ann. §20-2-161.1 and Georgia Department of Education response to NCSL survey.

[142] States that encourage public and private cooperation: Alaska (Alaska Stat. §14.14.110 through §14.14.120); Arkansas (Ark. Stat. Ann §6-18-508); Iowa (Iowa Code Ann. §28E.1); Kentucky (Kentucky Department of Education response to NCSL survey); New Hampshire (N.H. Rev. Stat. Ann. §186-C:8 & §186-C:10 & §188-E:6 & §193:1-a & §194:21 through §194:22); New Jersey (N.J. Stat. Ann. §18A:38-15 & §18A:38-16); North Dakota (N.D. Cent. Code §15-27.7 & §15-59-07); Pennsylvania (Pennsylvania Department of Education response to NCSL survey); Tennessee (Tennessee Department of

that current cooperative arrangements could serve as examples of available opportunities that, although not currently including at-risk or dropout students in school-to-work situations, could be expanded or molded to fit those students.

In enacting the **Florida** Dropout Prevention Act the legislative intent stated:

> The Legislature finds that a child who does not complete his education is greatly limited in obtaining gainful employment, achieving his full potential, and becoming a productive member of society...It is further the intent of the Legislature that cooperative agreements be developed among school districts, other governmental and private agencies, and community resources in order to implement innovative exemplary programs aimed at reducing the number of students who do not complete their education and increasing the number of students who have a positive experience in school and obtain a high school diploma.[143]

Alaska encourages schools to cooperate with other districts, state-operated schools and the Bureau of Indian Affairs in providing educational and administrative services to improve efficiency and reduce expenses. This includes boarding and tuition arrangements, pupil or teacher exchanges, special education services and curriculum development. **Alaska** even provides a one-time cooperative arrangement grant to the school district of up to $100,000 to encourage the sharing of services.[144]

Iowa specifically allows school districts to make agreements with public and private

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Education response to NCSL survey); Texas (Tex. Educ. Code Ann. §11.157 & §29.081(e) & (f)); Wisconsin (Wis. Stat. Ann. §118.153 & §119.74 & §119.23 & §120.21 & §121.78); and Wyoming (Wyo. Stat. §21-20-102).

[143] Fla. Stat. Ann. §230.2316.

[144] Alaska Stat. §14.14.110 & §14.14.115.

agencies to facilitate education and support services.[145] School districts in **Connecticut** may choose to have their students attend other regional or out-of-district programs and may use general state aid to pay for it.[146] **Arkansas** schools must establish an alternative learning environment; the law allows school districts to combine their services or use services provided by a public school educational cooperative.[147] **Arizona** allows a school district to contract with any public body or private person to provide alternative education programs.[148] **Texas** allow schools to contract with a public or private entity to provide educational services.[149]

Some states allow students to attend classes in two different school districts at the same time. **Arkansas** allows students to take 50 percent of their classes in another school district if the classes are not offered in the home district and if they are required to complete the student's educational objectives.[150] Attendance is considered to be in the student's home district for state funding purposes, which means the home district must pay a portion of tuition to the receiving district.[151]

These types of cooperative arrangements can be developed with school-to-work principles for at-risk and

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[145] Iowa Code Ann. §28E.1 & §28E.4.

[146] Connecticut Department of Education response to NCSL survey.

[147] Ark. Stat. Ann. §6-18-204 & §6-18-503

[148] Ariz. Rev. Stat. Ann. §15-796 (A).

[149] Tex. Educ. Code Ann. §11.157.

[150] Ark. Stat. Ann. §6-18-204; see also, New Hampshire (N.H. Rev. Stat. Ann. §193:1-a through §193:4 & §194:22); and New Jersey (N.J. Stat. Ann. §18A.38-15).

[151] Ark. Stat. Ann. §6-18-204.

dropout students. The recent **Texas** reform bill requires the state education agency to develop a state plan that assures all students the opportunity to participate in career and technology education.[152] As a way to encourage public/private cooperation, the new **Texas** law permits schools to contract with other school districts, public or private postsecondary educational institutions, and trade or technical schools to provide those programs, counting the student for funding purposes as a member of the school in which he or she is regularly enrolled.[153] **Texas** allows a school district to use a community-based dropout recovery education program, private or public, to provide alternative education programs for at-risk students. These students are still included in the school's funding count.[154]

Cooperation between schools and private organizations can help support vocational programs. **Indiana** allows schools to contract with not-for-profit corporations to establish and maintain vocational programs in the building trades.[155] **Wyoming** provides the opportunity for school districts and community colleges to cooperate in providing educational services including postsecondary education, vocational-technical education and adult education, among others.[156] Two or more school districts in **Arizona** can establish a joint vocational and technical education

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[152] Tex. Educ. Code Ann. §29.182, SB 1 passed in May, 1995.

[153] Tex. Educ. Code Ann. §29.184, SB 1 passed in May, 1995.

[154] Tex. Educ. Code Ann. §29.081(e) & (f), SB 1 passed in May, 1995.

[155] Ind. Code Ann. §20-10.1-6-2.5.

[156] Wyo. Stat. §21-20-102.

district.[157] **Arizona** schools also may contract with another school district or community college to provide vocational or technical programs.[158]

Public and private cooperation also can help schools provide better services to dropouts. **Colorado's** Second Chance Program provides a variety of educational opportunities for students who do not succeed in school. If the program is located in another school district, 85 percent of that student's state per-pupil funding must be given to the receiving school.[159]

Special Education, Institutionalized or Homeless Students

Some responses to the survey made the comparison between at-risk and dropout students and current programs that serve special education, institutionalized or homeless students. Several states have laws that allow schools to enter into agreements with other school districts, other states or private organizations to provide special education services.[160] The respondents pointed out that most states currently provide alternative environments to special education, disabled or institutionalized students and use state money to pay for it, sometimes with additional

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[157] Ariz. Rev. Stat. Ann. §15-392.

[158] Ariz. Rev. Stat. Ann. §15-782.01(B) & §15-789.

[159] Colo. Rev. Stat. §22-52-101& §22-52-104.

[160] California, (Cal. Educ. Code §56365 through §56366); Illinois (Ill. Stat. Ann. ch. 105, §5/14-7.02); Kentucky (Ky. Rev. Stat. §157.280); North Dakota (N.D. Cent. Code §15-40.2-08 & §15-59-06 through §15-59-07); Oklahoma (Okla. Stat. Ann. §70-13-101); Tennessee, (Tenn. Code Ann. §49-10-305); Virginia (Va. Code §22.1-216); Wisconsin (Wis. Stat. Ann. §115.85 through §115.88 & §20.255(2)(b) & §119.28); and Wyoming (Wyo. Stat. §21-2-502).

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state appropriations as well.[161]

An **Arkansas** school district that educates out-of-district students with disabilities is entitled to all state federal, local or other funds received for that child from the resident school district.[162]

The trustees of any school district in **Idaho** may contract with, and use state money to pay, another school district, private or public rehabilitation center, hospital, institution, corporation or state agency to educate students with disabilities and gifted and talented students.[163] **New Hampshire** has a similar law that allows schools to enter into cooperative agreements with other districts to provide approved programs for educationally disabled children or pay tuition for a program maintained by another school district or private organization.[164]

North Dakota requires the resident district to pay the tuition for the education of a student placed in a state-operated institution.[165]

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[161] States that provide for special education, institutionalized or homeless students: Arizona (Ariz. Rev. Stat. Ann. §§15-765(C)); Arkansas (Ark. Stat. Ann. 6-20-505); California (Cal. Educ. Code §56365-56366); Idaho (Idaho Code §33-2004); Massachusetts (Mass. Gen. Law Ann. ch. 71B, §5A & ch. 76, §11); New Hampshire (N.H. Rev. Stat. Ann. §186-C:8 through §186-C:10); North Dakota (N.D. Cent. Code §15-40.2-08 & 15-59-06 through §15-59-07); Oklahoma (Okla. Stat. Ann. §70-13-101); Tennessee (Tenn. Code Ann. §49-10-305); and Wisconsin (Wis. Stat. Ann. §115.85 through §115.88 & §20.255(2)(b) & §119.28).

[162] Ark. Stat. Ann. §6-20-505.

[163] Idaho Code §33-2004.

[164] N.H. Rev. Stat. Ann. §186-C:8 through §186-C:10.

[165] N.D. Cent. Code §15-40.2-08 & §15-59-06 through §15-59-07; see also Wyoming (Wyo. Stat. §21-13-315 & 317) where the Wyoming Department of Education pays for education services for court-ordered placements in private treatment facilities and group homes and for residents of state institutions.

States deal with the restrictive environment of providing education to incarcerated students in various ways. Some states hire special teachers to teach and train students in detention homes and facilities.[166] The **Oregon** Juvenile Corrections Education Program, which serves incarcerated students, receives the state per-pupil amount plus an additional amount per pupil.[167]

However, other states require the education of such students to be provided by the local school district.[168] **New York** school districts are required to provide a suitable educational program for students incarcerated in county correctional facilities located within their district. The school district receives additional aid for these students and is allowed to contract with a Board of Cooperative Educational Services or another public school district to provide those services.[169]

Students in **Michigan** juvenile detention facilities are provided an on-grounds education program and are counted in the student membership of the district providing the instruction. The student is counted as one and a half memberships.[170]

Homeless and runaway students have unique challenges to being successful in school. They are often without the necessary support structures to allow them to continue in school.

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[166] Va. Code §22.1-209.2.

[167] Or. Rev. Stat. §327.013, amended in 1995 by Section 7 of HB 2275; see also, Or. Rev. Stat §420.405 amended in 1995 by Section 7 of HB 2275.

[168] New York (N.Y. Educ. Law §3202 (7) & §3602); and see also, Washington (Wash. Rev. Code Ann. §28A.190.010 through §28A.190.060).

[169] N.Y. Educ. Law §3202 (7) & §3602.

[170] Mich. Comp. Laws Ann. §388.1624 (2).

Several states have passed laws that address the particular problems of homeless students.[171]

The **West Virginia** Legislature made a legislative finding that programs and materials must be made available to homeless and at-risk children to ensure opportunities for an equal education, including academic achievement, career exploration, self-esteem enhancement, behavior modification and other programs relating to student development.[172]

New York reimburses the school district 100 percent of the direct cost of educational services provided to a nonresident homeless or runaway student, when the school district is designated as the district the student should attend. Homeless students may be referred to the school district by a government agency (county social services), independent agency (church) or by the students themselves. The last school district the student attended before becoming homeless must reimburse the state for a portion of the local contribution.[173]

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[171] Arizona (Ariz. Rev. Stat. Ann. §15-824 (C)); Louisiana (La. Rev. Stat. Ann. §17:238); Maine (Me. Rev. Stat. Ann. tit. 20-A, §5205 (7)); Minnesota (Minn. Stat. Ann. §124A.036 Subd. 1a & §126.22 Subd. 2 (a) (9) & §126.23); New Jersey (N.J. Stat. Ann. §18A:7B-12.1); New York (N.Y. Educ. Law §3202 (8) & §3209 & §3602); Oregon (Or. Rev. Stat. §339.115 (3), amended in 1995 by Section 1 of HB 2487); and West Virginia (W.Va. Code §18-8A-1 through §18-8A-4).

[172] W.Va. Code §18-8A-1 (a).

[173] N.Y. Educ. Law §3202 (8) & §3209.

Financial Incentives to School Districts

As mentioned earlier in this report, state legislatures are acknowledging the increased need for at-risk and dropout programs. Many states provide specific funding, usually in the form of grants, to pay for at-risk and dropout programs. This report does not focus on the many state efforts to address these problems through grants for specific programs. Instead this report examines the states that provide additional per-pupil money to school districts for certain types of at-risk and dropout students.[174] It is often at the discretion of the schools how best to use this additional per-pupil money.

The idea of financially rewarding schools for their efforts in certain areas is being widely discussed as a way to make schools accountable. Many responses to the survey noted that the strongest financial incentive to keep

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[174] States with financial incentives for at-risk students: Alaska (Alaska Stat. §14.17.041 through §14.17.047); Arkansas (The Equitable School Finance System Act (Act 917) Section 2 (g) (6), & Section 4); Colorado (Colorado Department of Education response to NCSL survey); Connecticut (Connecticut Department of Education response to NCSL survey); Florida (Fla. Stat. Ann. §236.012 & §236.013 & §236.02 & §236.081); see also, Florida Department of Education response to NCSL survey); Idaho (Idaho Code §33-1002 (6); see also, Idaho Department of Education response to NCSL survey); Iowa (Iowa Code Ann. §257.38); Kansas (Kan. Stat. Ann. §72-6407 & §72-6413); Kentucky (Ky. Rev. Stat. §157.360(2) (a)); Michigan (Michigan Department of Education response to NCSL survey); Massachusetts (Mass. Gen. Law Ann. ch. 70, §2A); Montana (Mont. Code Ann. §20-7-306); Nebraska (Nebraska Department of Education response to NCSL survey regarding allowing districts to report ADM for part-time students); New Jersey (N.J. Stat. Ann. §18A: 7D-20); New York (N.Y. Educ. Law §3602; see also, New York Education Department response to NCSL survey); North Dakota (N.D. Cent. Code §15-40.1-06 through §15-40.1-09); Ohio (Ohio Rev. Code Ann. §3317.023); Oklahoma (Okla. Stat. Ann. §70-18-201); Oregon (Or. Rev. Stat §327.013, amended in 1995 by Section 4 of HB 2275); Pennsylvania (24 Pa. Cons. Stat. Ann. §25-2502.11 through §25-2502.18); Rhode Island (R.I. Gen. Laws §16-7-34.3 & §16-54-4); South Dakota (S.D. Codified Laws Ann. §13-28-36, repealed for 1996 according to the South Dakota Legislative Research Council response to survey); Tennessee (Tenn. Code Ann. §49-3-360); Utah (Utah Code Ann. §53A-17a-121, SB 215 passed in 1995); and Vermont (Vt. Stat. Ann. tit. 16, §3491 (d)).

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students in school is the fact that school funding is based on the number of students attending school. However, as previously mentioned, some states provide extra per-pupil funding for at-risk students and a few states offer financial awards for schools that improve or maintain performance measures.

In addition to the basic per-pupil state funding amount, some states give added funding for students who are parents, bilingual, low-income, homeless, eligible to receive free and reduced-price lunches, eligible for AFDC, participating in vocational education or living in public housing.

In **Arkansas**, at-risk funding is provided to local school districts based on the number of students with low test scores, children receiving free or reduced-price lunches, households below the poverty level or children with limited English proficiency.[175]

Ohio's Disadvantaged Pupil Impact Aid provides additional funding to school districts distributed on a per-pupil basis, depending on the number of AFDC children within a district.[176] Most of this funding must be used for programs designed to assist the special needs of disadvantaged students; the remaining money can be used at the discretion of the district.

Colorado reported that school districts receive additional money based on each district's estimated at-risk student population, to be used at the school district's discretion.[177]

Michigan reported that it provides additional funding for at-risk students allocated to each local district based on the number of students in the district eligible for free breakfast, lunch or milk. Districts may use these funds to provide instructional and other nonadministrative

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[175]The Equitable School Finance System Act, (Act 917), §4 (b).

[176] Ohio Rev. Code Ann. §3317.023.

[177] Colorado Department of Education response to NCSL survey.

services to students in two or more of these categories: victims of child abuse or neglect; students below grade level in English, communication skills or math; pregnant teenagers or teen parents; students eligible for federal free or reduced-price lunch; those who have atypical behavior or attendance patterns, family history of school failure, incarceration or substance abuse; those with less than moderate scores on the most recent statewide assessment tests.[178]

Oregon schools receive an added per-pupil funding for students in English as a second language classes, and students from poor families, among others.[179]

Utah bases funding for most of its programs on a weighted pupil unit that is determined by average daily membership and program costs. Additional money for applied technology education programs, at-risk programs (teenage pregnancy prevention, homeless and minority programs; math, engineering and science achievement programs; gang prevention) and concurrent enrollment (postsecondary enrollment options) is received through this type of funding.[180]

Pennsylvania schools receive an economic supplement based on the number of children in low-income families.[181] **North Dakota** schools receive additional money according to a

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[178] Michigan Department of Education response to NCSL survey.

[179] Or. Rev. Stat §327.013, amended in 1995 by Section 4 of HB 2275.

[180] Utah Code Ann. §53A-17a-120 & §53A-17a-121, SB 215 passed in 1995.

[181] 24 Pa. Cons. Stat. Ann. §25-2502.11 through §25-2502.18

weighted factor for the number of students in alternative education programs.[182] **Oklahoma's** funding is weighted for bilingual and economically disadvantaged students.[183]

The **Connecticut** Department of Education reported that the state provides weighting targets for at-risk students of: 25 percent added weighting for AFDC eligibles; 25 percent added weighting for students performing below remedial standards on statewide mastery tests; and 10 percent added weighting for limited English proficient students who are not directly served by the state's bilingual grant.[184] However, **Connecticut** does not consider these to be financial incentives but instead sees them as measures of additional needs in certain school districts.[185]

Several states are like **Montana** and **Kansas,** where high school vocational education or industrial arts programs are weighted categories receiving additional money calculated per pupil.[186] **Kansas** also gives additional weight to bilingual education students.[187] **Alaska** gives additional weight to vocational education, special education and bilingual education when determining the funding a school receives.[188] **Vermont** gives extra weight in its general state aid

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[182] N.D. Cent. Code §15-40.1-07.

[183] Okla. Stat. Ann. §70-18-201 (B)(2).

[184] Connecticut Department of Education response to NCSL survey.

[185] Connecticut Department of Education response to NCSL survey.

[186] Kansas (Kan. Stat. Ann. §72-6407 & §72-6413); and Montana (Mont. Code Ann. §20-7-306).

[187] Kan. Stat. Ann. §72-6407 & §72-6413.

[188] Alaska Stat. §14.17.041 through §14.17.047.

formula to students from economically deprived backgrounds.[189] **Kentucky** adds to a school district's base funding level for the number of at-risk students determined by their approval for the free lunch program and for students in a vocational education program.[190]

Funding for at-risk aid programs in **New Jersey** is based on the number of students eligible for free meals or free milk. The money is paid to the district in which a student in enrolled, not the home district. It is up to the school district to determine how to spend that money.[191]

In **New York,** school districts can receive additional operating aid based on several extraordinary needs, such as students with limited English proficiency, students applying for free and reduced-price school lunches and a sparsity count for districts with low student numbers.[192]

Massachusetts gives increased per-pupil funding to students in a transitional bilingual education program or a vocational education program and to those with a family income below poverty level, among others.[193]

Some states like **Nebraska** reported that they allow schools to include part-time students in their per-pupil funding count for state aid. These students often include those who have

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[189] Vt. Stat. Ann. tit. 16, §3491 (d).

[190] Ky. Rev. Stat. §157.360(2)(a) & (11) (c).

[191] N.J. Stat. Ann. §18A: 7D-20 & §16.152.

[192] N.Y. Educ. Law §3602; see also, New York Education Department response to NCSL survey.

[193] Mass. Gen. Law Ann. ch. 70, §2A.

previously dropped out of school and are now attending part-time.[194]

A financial incentive is offered for **South Dakota** schools to educate students not living in their district who have dropped out of school or are at imminent risk of dropping out. The Second Chance Option allows the state to pay the receiving school districts 125 percent of the state daily per-pupil cost to take these nonresident students. The students must be beyond compulsory school age attendance and must successfully complete the school year or graduate. A student can only use this second chance option once. However, this option is effective only through Dec. 31, 1996.[195]

Rhode Island provides aid in specific categories such as limited English proficiency and residence in public housing.[196]

New York reported that school districts receive special aid for providing employment preparation programs for students 21 and older who have not received a high school diploma or equivalency diploma. The attendance counts of students in such approved programs can not be included in other attendance counts. The aid is paid directly to the district providing the program, and then a net tuition charge can be billed to the district of residence if any local funds are required to support the program.[197]

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[194] Nebraska Department of Education response to NCSL survey.

[195] S.D. Codified Laws Ann. §13-28-36, see also, South Dakota Legislative Research Council response to survey.

[196] R.I. Gen. Laws §16-7-34.3 & §16-54-4.

[197] New York State Education Department survey response.

The Equitable School Finance System Act of 1995, recently enacted by **Arkansas**, provides at-risk state funding with a line-item appropriation and takes into account these types of at-risk programs: compensatory education, alternative learning programs, ACT and summer school remediation, programs for students with limited English proficiency and classroom management training for faculty. The aid is based on the number of students with low test scores, the number of children receiving free or reduced price lunches, the number of households below the poverty level or the number of children with limited English proficiency. One of the legislative findings of the **Arkansas** school finance act was to "assure that students who are not on track for high school graduation are identified at a sufficiently early date that they may be provided an opportunity at reasonable cost to achieve the minimum levels of competence necessary to graduate from high school."[198]

Accountability/Performance Measures

The survey responses noted that many states are motivated to address the at-risk and dropout problem because school districts increasingly are being held accountable for the school's performance, often measured by retention rates, dropout rates, test scores and school attendance rates.[199] In addition, many states have adopted the National Education Goals 2000 target of a 90

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[198] The Equitable School Finance System Act of 1995 (Act 917) § 2 (g) (6), §4 & § 11.

[199]States with accountability /performance measures: Arizona (Ariz. Rev. Stat. Ann. §15-746); Indiana (Ind. Code Ann. §20-3.1-6-1 through §20-3.1-6-5); Hawaii (Hawaii Rev. Stat. §296-2.60); Kentucky (Ky. Rev. Stat. §158.6453, see also Kentucky Department of Education response to NCSL survey); Louisiana (La. Rev. Stat. Ann. §17: 3918); Pennsylvania (24 Pa. Cons. Stat. Ann. §25-2595); Tennessee (Tenn. Code Ann. §49-3-360); Texas (Texas Education Agency response to NCSL survey); and West Virginia (W.Va. Code §18-1-4 (4) & §18-2E-4 (b)).

percent graduation rate. Some states even offer a financial award for those schools that meet or improve school performance goals.[200]

West Virginia adopted an "Educational Improvement Plan: Goals for the Year 2000" that strives to provide all children with the opportunity to get a thorough education. Two of the measurable and achievable goals **West Virginia** set are that 90 percent of ninth graders will graduate from high school and that high school graduates will be fully prepared for college, other postsecondary education or gainful employment. The intent of the governor and the Legislature was to use strategies that among others focus on helping at-risk students, work force preparation, and restructuring and accountability in the educational system.[201] **West Virginia** requires statewide school report cards that report indicators of student performance such as school attendance rates, the percentage of students not promoted to the next grade, the graduation rate and student mobility.[202]

In **Texas** the dropout rate is one of the performance measures by which the school district is held accountable.[203] Improving dropout prevention efforts is also one of nine state objectives

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[200]Georgia (Ga. Code Ann. §20-2-253); Kentucky (Ky. Rev. Stat. §158.6455 & §158.685 & §158.170, see also Kentucky); Louisiana (La. Rev. Stat. Ann. §17: 3918); Pennsylvania (24 Pa. Cons. Stat. Ann. §25-2595); and Tennessee (Tenn. Code Ann. §49-3-360).

[201] W.Va. Code §18-1-4.

[202] W.Va. Code §18-2E-4.

[203] Texas Education Agency response to NCSL survey.

in **Texas**.[204] **Arizona** also requires schools to complete an annual report card measuring test scores, number of high school graduates and attendance rates, among others.[205]

Some states provide direct financial awards to schools that achieve performance standards. **Tennessee** provides incentive grants to reward schools that exceed the performance standards set by the state board of education.[206] **Pennsylvania** schools also can receive additional money as performance incentives. Two of the criteria the schools are measured on are test scores and dropout rates.[207]

Louisiana law provides an incentive cash award for 100 schools making the most significant progress relative to other schools of the same type and category, as measured by standards for progress.[208] However, respondents reported that this program has not received the funding to pay the cash awards for several years.[209]

Kentucky school districts complete an annual performance report on enrollment, the number and percentage of dropouts, retention rates, student performance and other

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[204] Tex. Educ. Code Ann. §4.001.

[205] Ariz. Rev. Stat. Ann. §15-746.

[206] Tenn. Code Ann. §49-3-360.

[207] 24 Pa. Cons. Stat. Ann. §25-2595.

[208] La. Rev. Stat. Ann. §17: 3918.

[209] Louisiana House of Representatives response to NCSL survey.

accomplishments.[210] Successful schools can receive monetary rewards while unsuccessful schools can be sanctioned for failure to improve.[211]

Performance measures hold schools accountable for helping students stay in school, and state or school report cards can provide parents and students with important educational information.

[210] Ky. Rev. Stat. §158.6453, see also Kentucky Department of Education response to NCSL survey.

[211] Ky. Rev. Stat. §158.6455 & §158.685 & §158.170, see also Kentucky Department of Education response to NCSL survey.

Summary

This project sought to answer the questions of how states can include at-risk students and dropouts in school-to-work experiences and how newly created school-to-work systems can be funded after federal school-to-work money is no longer available. These questions helped shape an NCSL 50-state survey that explored the idea of state per-pupil funding following at-risk high school students and dropouts into learning options involving school-to-work opportunities. As the report discussed, although no state laws were found to *require* funding to follow at-risk and dropout students into school-to-work specifically, no laws were found that *prohibit* it either. Because of the spending flexibility granted to school districts, several states did not know which school districts might be incorporating this idea at the local level. However, with the survey results and some additional research the project discovered many programs and opportunities already exist that allow state per-pupil funding to follow students into alternative learning environments. Although not all of these examples target at-risk students and dropouts, an examination of these programs and policies can provide examples of state funding options that already exist and could be expanded or created to include those types of kids.

State departments of education, like all bureaucracies, are divided into specific program and issues areas. In conducting this survey, responses often mentioned the limiting nature of job divisions within departments of education. For example, the department of education finance director might not be aware of dropout and at-risk programs, while the at-risk and dropout

program people might not be current on school-to-work programs and policies. The survey responses highlighted how difficult it can be to identify the appropriate people in each state who are knowledgeable about the broad and complicated ideas explored in this survey. To understand the issues involved in the concept of funding following at-risk and dropout students, particularly in school-to-work transition programs, requires a policy leader, perhaps a state legislator, community leader, or chief state school officer who can connect all the related ideas to see the whole picture. The survey emphasized how difficult it can often be to find such a person. Many states seemed unaware of current programs allowing state funding to follow the student into alternative learning choices.

It is also likely that school districts are reluctant to transfer funding out of the district. On the other hand, this idea offers a way to recapture the per-pupil funding for dropouts and for students who are at-risk of dropping out. It also could produce a better school report card for those states holding schools accountable for performance measures.

Permitting per-pupil funding to follow students into appropriate learning experiences may offer a way to provide school-to-work opportunities for all students and could give states funding for these principles after federal money is no longer available. In a time of tight state budgets and court fights over school financing, this idea could provide states with an option to help students reach their full potential without having to appropriate large additional amounts of money.

It should be cautioned, however, that this survey report is only a starting point for policy

discussions of these funding issues. The limiting nature of surveys and those who answer them and the complicated ideas involved in these issues necessitate additional research and case studies. This examination of programs and policies is far from complete. To follow these initial findings, a more detailed survey and more in-depth research are needed not only to search deeper into the provisions of state law but for a greater understanding of how this funding mechanism is being used, along with its successes, problems and limitations. The next logical research focus—an investigation of the actual practice of the 15,000 local school districts and the tens of thousands of individual schools—is a massive and complex undertaking, further complicated by the ferocity of Americans' commitment to local control of the educational system.

In addition, all theories of organizational behavior teach us that bureaucracies and institutions do not willingly give up revenue sources, no matter how altruistic and compelling the rationale. Therefore, it is unrealistic to expect that schools and school districts at large will push for further or full implementation of a plan in which money follows the student. Legitimate concerns of program oversight, educational control and evaluation also should be explored further.

Case Studies: Contributed by Mary DeGonia, Capitol Perspectives, Wash., D.C.

This survey examined state laws that allowed state per-pupil funding to follow the student into alternative education options particularly on school-to-work. But many state laws like those allowing open enrollment and charter schools provide alternatives within the public school system. Many states also recognize the contributions of nonprofits and community-based organizations and other nonpublic education options.

To illustrate the implications and practical applications of this survey and the issues reviewed in this report, these case studies describe many different types of programs and services for at-risk and out-of-school youth and give some insight into how these funding alternatives work.

Phoenix, Arizona

Arizona Call A Teen is a community-based organization with a history of working with dropouts, teen parents and at-risk youth in Phoenix. It is supported by the Job Training Partnership Act (JTPA), special state education resources and private donations.

In Phoenix, an awareness of the need for services for at-risk youth, particularly dropouts, developed at the local level. The Phoenix Union School district worked with Arizona Call A Teen in an effort to establish contact with out-of-school youth. For the school years 1993-95, the Phoenix School District has provided funds directly to Arizona Call A Teen for their services to youth. The school district "passed through" 75 percent of nonweighted average daily attendance

(ADA) per-pupil funds to Arizona Call A Teen for each dropout served. "Nonweighted ADA" funds are an allocation that is not enhanced by additional categorical funds for concentration of poverty or other factors. During those two years, the ADA funding level was $2,478 per slot.

Concern about the quality of education in the state and the low high school graduation rate led the Legislature to institute a charter school system beginning in the 1996 school year. Charter schools are recognized as school districts and receive the state portion of ADA directly. Funds for students in charter schools are weighted by risk factors identified by the state including dropouts, disabilities and concentration of poverty. Under this arrangement, weighted ADA funds from the state approach approximately $4,000 per student. As a result of this legislative action, the Arizona Call A Teen Charter School was founded.

Arizona Call A Teen has been on the cutting edge with its activities in program improvement, assessment and model curriculum. For years it has been involved with the Brandeis University youth education project and frequently is called upon to provide technical assistance to others who work with at-risk and out-of-school youth.

The Arizona Department of Education has played a critical role over the years in strengthening partnerships with community-based organizations and public schools in order to better serve all youth.

Contacts:

- Bernice Lever, CEO Arizona Call a Teen, 649 North 6th Ave., Phoenix, Arizona 85003, (602) 252-6721. Bernice Lever is a newly appointed member of the Arizona Workforce

Development Board.

- Arizona Department of Education, 1535 West Jefferson, Phoenix, Arizona 85007, (602) 542-4361 or (602) 542-4706. Contacts: Lisa Graham, Lee Ann Burns or Kathi Hass.

San Jose, California

The 21st Century Workforce is a program that "recovers" average daily attendance (ADA) funds left behind when a student drops out of school in the East Side Union High School District and uses the funds for services to these students. The funds are placed in a separate budget category, which allows the 21st Century Workforce to match school district funds with funds from the public and private sectors program. The program, coordinated from Foothill High School in Silicon Valley, is a model of how a school district can use per-pupil funding to serve youth who have left the school system.

21st Century Workforce is structured so that the program is paid out of the recovered revenue limit allocations. Payments are made only after dropouts are actually served. Foothill High School Afternoon 21st Century Workforce Program works with community-based organizations, including the Mexican American Community Services Agency (MACSA) Youth Center, and the Center for Training and Careers (CTC).

The Center for Training and Careers, a community-based education and training nonprofit organization, has been selected to be a demonstration site for the 21st Century Workforce. It combines academic and occupational work and has strong ties with public

education, at-risk youth, the local private industry council as well as high tech employers.

The program is operating for a trial period of one school year. In the trial period the program will have to demonstrate its ability to provide educational services within the revenue limit generated by the recovered ADA funds. The participating community-based organizations have been willing to set their fees for service according to their share of the ADA-recovered funds, which ensures that the available funding will cover the program.

The 21st Century Workforce program facilitates a continuum of services by Santa Clara County agencies, including education institutions, community-based organizations, law enforcement, juvenile probation, juvenile courts, Social Services and the District Attorney's Office. These services, from prevention to intervention, constitute a coordinated effort by the community to reduce truancy and other high-risk youth activities. These services include:

- Early identification of truancy—Mentoring truants in regular school programs
- Carrot reward program for attendance at school
- Mentoring and support groups for youth
- Family counseling services
- Special school programs for truant youth (community- and school-based)
- Youth service center—Home visits by law enforcement personnel
- Job preparation and training programs
- Truancy courts
- Enforcement of curfew and truancy laws—Suspension of driver's licenses of truant youth

- Prosecution of parents of habitual truants

Contacts:

- Rose Amador, President, Center for Training and Careers, 1600 Las Plumas Ave., San Jose, California 95133, (408) 251-3165.
- Ester Medina, Executive Director, Mexican American Community Services Agency, 130 North Jackson Ave., San Jose, California 95116, (408) 928-1122.
- Doug Emerson, East Side Union High School District, 830 North Capitol Ave., San Jose, California 95133, (408) 272-6400.

Boise, Idaho

The Idaho Legislature changed the average daily attendance (ADA) law to allow for higher state average daily attendance for at-risk students in new alternative learning facilities. There were three conditions for eligibility. First, facilities had to be located outside of existing schools. Second, student/teacher ratios were kept low with a limit of 12 students per class. Third, youth had to meet the state at-risk youth definition. The state ADA funds were supplemented with weighted allocations for at-risk students. ADA funds apply to both the regular school year and summer school.

State and local education officials teamed up with the private industry council, using Job Training Partnership Act (JTPA) funds for getting new schools off the ground prior to state financing. New alternative schools were created in Mt. Home, Caldwell, Nampa, Emmett,

Boise, Payette, McCall and a consortium of schools called COSSA.

The Southwest Private Industry Council (PIC) is the administering body responsible for the JTPA in six counties in Idaho, including Boise. The PIC has long been an innovator in creative partnerships for at-risk youth, as well as strong business partnerships. The Idaho Department of Vocational Education has worked as a team improving services to youth. The PIC teamed up with schools and assisted in the creation of alternative schools using JTPA and vocational education money as a catalyst.

Unlike many states, alternative schools are part of the school-to-work planning in the state. This year Idaho was awarded a School-to-Work Implementation Grant.

Contacts:

- George Dignan, Executive Director, SW Idaho Private Industry Council, 10624 West Executive, Boise, Idaho 83704, (208) 322-7411.
- Fort Boise Learning Center, Bob Gilbert, Vice Principal, 300 West Fort Street, Enrollment 58, Boise, Idaho 83702, (208) 338-3468.
- Mountain Cove Learning Center, 911 Mountain Cove Road, Boise, Idaho 83702 (208) 338-3618.
- ADA County Juvenile Center, 6300 Denton Street, Boise, Idaho 83704 (208) 364-3000.
- Booth Memorial School, Marian Pritchatt, Head Teacher, 1617 North 24th St., Boise, Idaho, (208) 343-3571.
- Nampa Alternative High School, Gary Tipton, Principal, 2407 Caldwell Blvd., Nampa, Idaho

83651, (208) 465-2788.

- Teen Parent Alternative School, Mary Lopez, Head Teacher, 8444 Dearborn Dr., Nampa, Idaho 89886, (208) 465-2792.
- Caldwell-Canyon Alternative Education Center, Gary Tuttle, Head Teacher, 114 Arthur, Caldwell, Idaho, 83605.

Chicago, Illinois

In many urban areas the friction between schools and the community is severe. Some community members, recognizing the negative impact of dropouts, are skeptical about the ability of the traditional school model to offer these students the academic, vocational or social support they require to succeed. Small alternative schools having a specialized curriculum with wraparound services designed for these students often have a greater likelihood of achieving this goal. The Chicago Public Schools (CPS) is working with neighborhood organizations, community-based organizations, alternative schools, social service agencies, businesses, public schools and others to establish alternative schools for dropout students. The development of this partnership is exciting because of the long history and the severity of the problems of dropout youth in Chicago. Chicago recently was awarded a school-to-work local grant that includes this new alternative funding stream.

Alternative school and community-based organizations will not only focus on academic instruction, including computer-assisted and managed learning centers, but will also provide

world of work instruction as well as job or intern placement. Alternative schools or programs have been established in each region of the city, beginning the second semester of the 1995-96 school year for students who dropped out of school. There is an emphasis on smaller programs. The Chicago School Reform Board of Trustees retains control over the dropout school programs in terms of curriculum, policies, evaluation criteria and articulation and must approve each program's proposal. The following criteria have been established for the expected performance of dropout programs:

- Attendance: Average daily attendance rate of program participants will be 70 percent.
- Stay in School: At the end of the program year, at least 70 percent of the students will continue in the program, transfer to a school program or graduate.
- Graduation: At least 70 percent of the participating high school seniors shall earn a high school diploma or a GED. At least 70 percent of the students with disabilities expected to graduate or earn a GED, according to the individual education plan, will do so. The diploma may be awarded from the last high school attended by the student.
- Progress: At the end of the first program year (February 1996 to June 1996), at least 70 percent of students will have earned at least two high school credits or, if not on a credit schedule, will have made comparable performance as determined through their Alternative Educational Program (AEP) or IEP.
- Skill Gains: At least 70 percent of students will show measured achievement gains in language arts (including reading), mathematics, science and social studies on a standardized

test that reflect at least one month of gain for each month enrolled in the program. Documentation will be needed to explain smaller performance gains.

- Transition: At least 70 percent of the students who graduate continue with further education, training or employment.

Contacts:

- Ron Beavers, Director Alternative Schools, Chicago Public Schools, 1819 West Pershing Road, East Bldg. 6th Floor South, Chicago, Illinois 60609, (312) 535-8095.
- Jack Wuest, Director, Alternative Schools Network, 1807 West Sunnyside, Suite 1D, Chicago, Illinois 60640, (312) 728-4030.

Oregon Conservation Corps and Alternative Schools

In 1987 the Oregon legislature created the Oregon Youth Conservation Corps and housed it within the Commission on Children and Families, an independent state agency. The state office of the corps sponsors two types of programs, a short-term conservation program operated with a small seed grant to each of Oregon's 36 counties and a longer term community services program with a strong education component. The community services program awards grants on a competitive basis to those who can demonstrate a partnership with other service providers, state or local agencies, or businesses.

The Phoenix School of Roseburg is a nonprofit special purpose school operating a wide array of programs for at-risk youth, including four alternative schools within existing public

schools, as well as a small community service corps. Phoenix has been in operation for 15 years and is accredited by the Northwest Association of Schools and Colleges, the same organization that accredits the public schools of the area, which allows students to accumulate and transfer credit.

Seven years ago the legislature amended state law to require school districts to offer alternative education opportunities to those students who requested them. The legislation also empowered the school board to approve alternative programs and to register them with the Department of Education. The legislation requires the district to pay 80 percent of the average per pupil expenditure to the provider. For example, the average per-pupil expenditure in the 10 school districts referring students to Roseburg is $5,000, $4,000 from the state and $1,000 from federal grants and other sources. The district reimburses Phoenix for up to $4,000, or 80 percent of $5,000. Unlike the public schools however, Phoenix must calculate its average daily membership (ADM) monthly in order to receive payment. For practical purposes, this is a stricter standard than that applied to the public schools.

Phoenix serves 350-400 youth per year. The students range in age from 12 to 20 and average, upon entry, reading and math skills at about four years behind grade level. Eighty-eight percent qualify for free or reduced-price lunches and 74 percent fall below the county's low and moderate income criteria. Seventy-five percent are from nonintact homes, 51 percent have previous juvenile justice involvement, and 74 percent report drug and alcohol problems. Nearly all of the referrals have been to an in-school alternative program and have not completed it. In a

February 1996 follow-up study conducted by the local community college, a sample of 43 Phoenix graduates from 1993, 1994 and 1995 reported 60 percent currently employed, 67 percent enrolled in or seeking postsecondary education, less than 20 percent receiving assistance from any social service agency and only 2 percent receiving unemployment compensation.

The enabling state legislation that created this funding mechanism includes work experience as an accountable activity. This has allowed Phoenix to apply for and receive a state grant to start both a conservation corps and a community service corps. They have integrated the corps activities with the academic program through cooperative arrangements with the state Department of Fish and Wildlife and the Bureau of Land Management. Phoenix uses the per-pupil money as a base for those students in the corps and supplements it with in-kind coordination and supervision from state agency employees and fee- for-service funds generated by corps activities. Students split their time between corps activities and related academic instruction. For example, a biology course focusing on the life cycle of salmon is integrated into the corps' work projects involving fish habitats, thus integrating theoretical and applied learning--the basis of all school-to-work programs.

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- Becky Eklund, Director, Oregon Youth Conservation Corps, Commission on Children and Families, 530 Center St. N.E., Salem, Oregon 97310, (503)-373-1283.
- Ron Breyne, Executive Director, Phoenix School of Roseburg, 704 S.E. Cass St., Roseburg, Oregon 97470, (541) 673-3036.

Houston, Texas

In 1983, the Texas Legislature passed a "no pass-no play" clause in the state education reform law, linking participation in after-school activities, including sports, to performance in the classroom. Many schools soon realized they did not have the ability to reach at-risk and dropout youth and began to work with community-based nonprofits to provide services such as after-school tutoring. Over the years the relationship between community-based organizations and schools strengthened. The Legislature has since turned up the heat on schools to increase the graduation rate, a "get-tough" policy that has increased the number of expulsions and suspensions.

To reach these youth, many Texas school districts have adopted a money-follows-the-youth policy for dropouts and other at-risk youth. The following examples describe how three separate communities in Texas have decided to serve dropouts through cooperative financing agreements between the local school districts and community-based organizations.

The George E. Sanchez School, is a nonprofit, community-based alternative school, located in Houston. The school provides services to dropouts by piecing together per-pupil funds from the Houston School District, donations and JTPA funds to provide alternative education services. Average costs per student are $2,670 passed through to the alternative school by the school district. Last year the George E. Sanchez School graduated a high percentage of youth who went on to college—quite a challenge when all of the youth entered the school as dropouts.

The George E. Sanchez School uses state-of-the-art computer-managed and -assisted instruction, which allows individual students to excel. This year the school will serve 350 students.

The school is part of the Houston Association for the Advancement of Mexican-Americans, which for more than 18 years has provided housing, education and training, violence prevention, social services and substance abuse to inner city residents. They currently are working on becoming a charter school.

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- Gilbert Moreno, President, Association for the Advancement of Mexican-Americans.
- Dr. Hulberto Saenz, Principal, George E Sanchez Alternative School, 6001 Gulf Freeway, Building 3B, Suite 165, Houston, TX 77023, (713) 926-1112.
- Paul Oldfield, Houston Independent School District, 3830 Richmond Ave., Houston, Texas 77027, (713) 892-6000.

Corpus Christi, Texas

The Gulf Coast Council of La Raza in Corpus Christi, Texas, has a long history of providing education and support services to youth who are homeless, abused, disabled or dropouts. The Gulf Coast Council of La Raza operates a runaway shelter with aftercare, family counseling, special services for youth with disabilities, an education and recreation center for after-school tutoring and a GED program in addition to the school. Like many community-based education efforts, the Gulf Coast Council has a computer-based, state-of-the-art, self-paced

learning center for serving challenged youth.

Local schools in the area have problems not only with high school dropouts but also with expelled youth. Several different schools now contract with Gulf Coast using an arrangement based on the number of hours of service provided. In general, Gulf Coast Council operates with two groups of youth. The first are middle school youth who have been removed from school because of behavior problems. The second group of students have been expelled from the high school or have dropped out of school. For older youth, classes operate both in the day and the evening. Despite behavior problems at public school, students at Gulf Coast achieve grade-level gains, receive GEDs, return to school and in many cases go on to college.

Contacts:

- Dr. Maria Luisa Garza, Executive Officer, Gulf Coast Council of La Raza, 2203 Baldwin Boulevard, Corpus Christi, Texas 78405, (512) 881-9988.
- Dr. Frank Hogan, West Oso Independent School District.
- Anita Hinojosa, Corpus Christi Independent School District.

San Antonio, Texas

In San Antonio, San Antonio Positive Solutions, a private nonprofit alternative school, has a long history of work with out-of-school youth, teen parents and youth who have problems with the law. Positive Solutions was part of the Ford Foundation-sponsored development of the CCP, a comprehensive computer-assisted instruction program. Over the years Positive Solutions

has expanded the use of computers into instruction of youth with a significant lack of skills. Positive Solutions also has strong private sector ties and incorporates employment and training skills in all instruction.

Realizing a need to provide services to youth for which public school is not appropriate, the Harlandale Independent School District passes on 75 percent of average daily attendance money to Positive Solutions through a local cooperative contract. Specifically, the Harlandale district targets students who are expelled from school. In addition, youth who are overage and have no possibility of graduating are referred to a GED preparation program. Again, central to the services offered are staff who know how to deal with individual students with special needs and state-of-the-art computer-managed and -assisted instruction. San Antonio Positive Solutions is part of the local leadership developing school-to-work planning activities.

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- Aurturo Suarez, President, San Antonio Positive Solutions, 302 S. Flores, San Antonio, Texas 78204, (210) 299-1025.
- Dr. Velma Villegas, Harlandale Independent School District, 102 Genevieve Drive, San Antonio, Texas 78214, (210) 921-4300.

*States receiving federal school-to-work grants	School Enrollment Options	Special Schools and Centers	Special Programs	Financial Incentives	Performance Measures
Alabama	X	X			
Alaska*	X	X	X	X	
Arizona*	X	X	X		X
Arkansas	X	X	X	X	
California	X	X			
Colorado*	X	X	X	X	
Connecticut		X	X	X	
Delaware		X			
Florida*					
Georgia	X	X			
Hawaii*		X			X
Idaho*	X		X		
Illinois					X
Indiana*	X		X		X
Iowa*	X		X		
Kansas		X		X	
Kentucky*	X			X	X
Louisiana	X	X			X
Maine*	X		X		
Maryland*					
Massachusetts*	X	X		X	
Michigan*	X	X	X	X	X
Minnesota	X	X	X		
Mississippi					
Missouri		X			
Montana				X	
Nebraska*	X			X	
Nevada	X				
New Hampshire*	X	X	X		
New Jersey*	X	X	X	X	
New Mexico		X			
New York*	X		X	X	
North Carolina*					
North Dakota	X		X	X	
Ohio*	X		X	X	
Oklahoma*				X	
Oregon*	X	X	X	X	X
Pennsylvania*				X	X
Rhode Island		X		X	
South Carolina					
South Dakota	X			X	
Tennessee	X	X	X		X
Texas	X	X	X		X
Utah*	X			X	
Vermont*	X	X	X	X	
Virginia					
Washington*	X	X	X		
West Virginia*					X
Wisconsin*	X	X	X		
Wyoming	X	X	X		

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